

The NATIONAL UNDERWRITER



WHEN WE'RE IN THE

Spotlight...

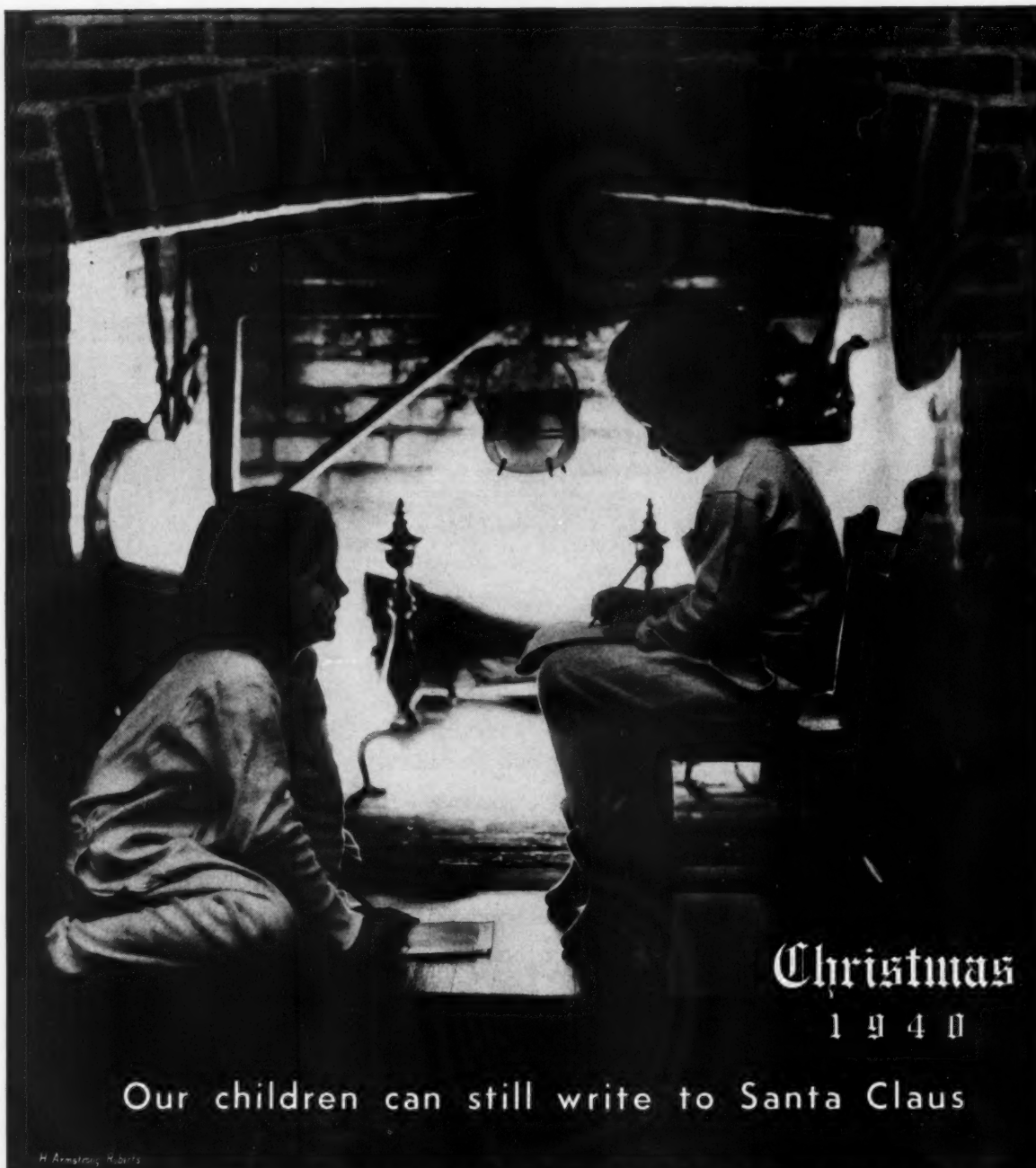
EVERY actor is in the spotlight now and then. Sometimes, when we, in the insurance business have landed a particularly large, or difficult piece of business, we feel that we too have stolen the show. However, that's the time to give others credit where credit is due—the actor to his playwright, director, producer and associates—the insurance men to the teamwork which has made the insurance business possible. In your territory, this teamwork is best represented by your State Association of Insurance Agents.

In your State Association you will find brains, leadership, cooperative activity—the best insurance of your own future and the future of our business. In the interests of your clients' security, your own security and your pocketbook—join, support and work with your State Association.



*Published by the United States Fidelity & Guaranty Company and its affiliate,
Fidelity & Guaranty Fire Corporation. Home Offices: Baltimore, Maryland.*

THURSDAY, DECEMBER 12, 1940



Christmas

1940

Our children can still write to Santa Claus

H. Armstrong Roberts



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

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Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
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Foreign Department
111 John St.
New York, New York

Canadian Departments
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404 West Hastings St., Vancouver, B. C.

FIRE-MARINE-CASUALTY-SURETY

Loyalty Group
INSURANCE



EVERY working day, millions of city commuters average two hours a day traveling to and from their offices. They spend a lot of time riding in trains, buses, subways, taxicabs, ferries and elevators.

A disabling accident could easily keep them from their daily work and also result in an accumulation of doctor's and hospital bills.

The Travelers has an Accident Policy which especially fits the requirements of your insurance prospects. They need the insurance protection and you can provide the coverage.

Ask any Travelers office for further information and literature.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT



REPEATED

--by popular request!

Three years ago we supplied our agents with a Season's Greetings Shopping List—a memory-jogger which we believed would be appreciated by their policyholders and prospects.

So enthusiastically was this card received that the following year our printing run of this pre-Christmas remembrance exceeded one million impressions. Orders for the "1940 model" (imprinted and supplied without cost) give promise of topping last year's record.

By representing a Company of the Royal-Liverpool Groups, an agent has a dependable source of ideas which will help him toward increased production. For a specimen of this card, and information regarding a wide assortment of other business-builders, address Publicity Department,

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 50

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 12, 1940

\$4.00 Year, 20 Cents a Copy

Finance People Disturbed by Equity Rating Plan

Chicago Conferees Fear N.A.U.A. Scheme Provides Advantage to Banks

Much concern over the proposed equity rating plan for financed automobiles of the National Automobile Underwriters Association was shown at the insurance forum during the convention of the American Finance Conference in Chicago last week. For the first time, this organization conducted a special group session on insurance, which attracted a large turnout, including a number of insurance men. The discussion at the insurance forum was led by J. F. Solomon, Lima, O., secretary-treasurer Colonial Finance Company, and Fleming Law, Atlanta, Ga., secretary American Discount Company and vice-president American Security Insurance Co.

While the finance representatives did not take a militant stand against anything or anybody, and passed no resolutions regarding insurance, it was obvious that they regard various competitive measures as serious and that they feel their side of the picture has not been properly presented to the public and to insurance supervising authorities. This latter view was even more pronounced last year. F. V. Chew of Chicago, executive vice-president of the organization, reported that representatives have conferred with the committee of the National Association of Insurance Commissioners on this subject, which was headed by Commissioner Blackall of Connecticut, and that progress has been made.

Fear Advantage to Banks

Bank competition is a real problem to finance companies, Mr. Solomon pointing out that more than 10,000 of the 14,000 banks under the Federal Deposit Insurance Corporation have reported that they are making automobile and similar small loans or buying paper of this type. Both he and Mr. Law declared that the new N.A.U.A. plan is pointed directly at banks. This plan permits the company and the finance company to make their own arrangement as to rates charged the purchaser and commission, as long as the insurer gets not less than 67½ percent of the manual premium. They reported several cases in which banks in states where they cannot receive an insurance commission have been advertising automobile financing with premiums to the purchaser below manual, the obvious implication being that the agent who placed the insurance is taking a low commission. The sentiment was also expressed that there is little chance for the bureau companies to get more business from

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Submit Model Law on Countersignature

Harrington Committee Makes Concrete Suggestion to Commissioners

A proposed model act governing countersignature and the licensing of non-resident brokers was submitted at the midwinter meeting of the National Association of Insurance Commissioners by a committee headed by Harrington of Massachusetts.

The bill provides that all policies covering risks in the state must be countersigned by a resident licensed agent operating on a strictly commission basis. If the insurer does not have an agent so compensated in a locality in which the contract must be signed or countersigned, a salaried representative may act. If there is a big hurry a salaried representative may sign provided a fee is paid by the non-resident producer or insurer to a resident agent. Every policy produced by a licensed broker who is not an agent of the company involved, may be signed by a salaried representative of the company without payment of any commission other than to the licensed broker.

Provisions of the law would not apply to life insurance or to insurance covering the rolling stock of any railroad or covering any vessel, aircraft or motor carrier used in interstate or foreign commerce or covering any liability in connection therewith. It would not apply to any contract covering any property in transit through the state in interstate or foreign commerce unless the contract is entered into within the state. It would not apply to any insurance handled by a salaried employee of an insurer that operates exclusively on the direct writing basis. It would not apply to reinsurance.

Countersigning Fee Flexible

The compensation of the resident agent for countersignature would be the subject of contract between that agent and the non-resident broker where the business is controlled by a non-resident broker. If the contract is procured outside of the state directly by the insurer, then the countersigning agent shall receive a brokerage commission.

The law provides for licensing of non-residents who are licensed in their home states and are compensated solely by commission and who do not maintain an insurance office in the state in which they are seeking a non-resident license. There is a provision that the home state of the broker must grant equal privileges to agents in the state in which the broker is seeking to become licensed.

The applicant would not have to pass an examination in order to qualify if the commissioner is satisfied as to his competency. The non-resident license would expire one year from date of issue. There is a proposed penalty of not less than \$25 and not more than \$100 upon any licensed resident agent, non-resident broker or insurer for violation of the law.

The resident countersigning agent would be required to keep a record of each transaction so that the state may receive the tax.

Rhode Island Has Western Unit

New Department Is in Charge of R. W. Tapper and J. E. Reinhold

Establishment of a western department at Chicago for Rhode Island is announced by President Byron S. Watson.

The new department, under the management of R. W. Tapper and J. E. Reinhold, has jurisdiction over Illinois, Indiana, Michigan, Minnesota, North Dakota, South Dakota, Ohio and Wisconsin. Commodious offices have been secured in the Insurance Exchange building which will be shared by T. E. Gaskill, western manager of Alan H. Bonito Co., inland marine managers.

Mr. Tapper has represented Rhode Island more than 21 years, latterly as its Chicago manager. Earlier he was connected with Great American.

Mr. Reinhold, too, is a seasoned man, having been connected with National Liberty, Stuyvesant and Pearl, representing the latter company as special agent in Indiana and in New York, and more recently as executive special. He resigned to become executive special agent for the Rhode Island, from which he now advances to associate manager of the western department.

Also identified with the department are M. F. Johnson, who will supervise Ohio, Indiana and Michigan, making headquarters at Columbus; N. C. Selvig, in charge of Minnesota, the Dakotas and Wisconsin, with headquarters at Minneapolis, and N. A. Young, who from his Chicago headquarters will continue to supervise Illinois.

Problem of Renewal of HOLC Contracts Is Studied

NEW YORK—From the discussions of the contract between the Home Owners Loan Corporation and the Stock Company Association, at the mid-year meeting of the National Association of Insurance Commissioners the impression was gained that what the state officials are particularly concerned about is the framing of an acceptable renewal agreement for submission to the HOLC when the present contract will have expired Feb. 1.

Fire Division Instructors to Discuss Defense Issues

Special interest will be taken in the forthcoming annual fire department instructors conference in Memphis Jan. 7-10, because there will be discussed at that time the latest developments in national defense as related to the fire service. This gathering has become the national clearing house for department educators. Last year the attendance numbered 255 from 25 states and the District of Columbia. It is under the auspices of the fire prevention department of the Western Actuarial Bureau and the Memphis fire department. An effort will be made to confine the national defense suggestions to practical, workable scope.

Buyers Cover Wide Field at Chicago Parley

More Than 400 Attend Insurance Conference of Management Association

The effect of new developments in the business picture on insurance dominated the many interesting discussions, ranging from liability insurance for corporation directors to protection of power plants against sabotage, at the mid-year meeting of the insurance division of the American Management Association in Chicago last week. The registration of more than 400 set a new high for this unit of the organization. W. A. Sullivan, Kansas City, insurance manager Loose-Wiles Biscuit Co., is vice-president in charge of the insurance division.

At the opening session, directors' liability insurance was discussed by R. T. Wood, New York, manager bank division American Surety, and R. L. Arnheim, Chicago, treasurer Chicago Mail Order Company, followed by a discussion of insurance problems created by conscription by I. R. Andrews, Chicago, director of personnel Sears-Roebuck & Co., and George Rogers, New York, insurance manager Robert Gair Company. The afternoon session was given over to the question and answer panel conducted by Dr. R. H. Blanchard, New York, professor of insurance Columbia University, which has become a popular fixture at A.M.A. insurance meetings. The forums were continued at three dinner meetings, devoted to bonding, safety and liability insurance.

War Risks Questions

At the Friday morning meeting, war risks and allied coverages were discussed, the fire insurance aspect by R. J. Folonie, Chicago, McKinney, Folonie & Grear, prominent insurance attorneys; marine aspect by R. W. Cauchois, New York, partner of Johnson & Higgins, and casualty lines by J. C. L. Bowman, Boston, assistant vice-president Liberty Mutual. J. H. Coburn, Hartford, vice-president Travelers Indemnity, discussed boiler and machinery use and occupancy coverage at the luncheon and final session.

Future of Directors

Both Messrs. Wood and Arnheim emphasized that corporations are finding it increasingly difficult to procure directors because of the increased cognizance of the public of the liability imposed upon them for wrongful acts or simply for failing to detect and stop unlawful or fraudulent acts on the part of corporation managements. Each speaker also brought out that, while recent federal legislation has increased this liability, it is not a new principle and there are many old cases holding direc-

(CONTINUED ON PAGE 39)

Fire Council Meets in Chicago

Ways of Enlarging Tests of Manufactured Articles Are Discussed

Ways of increasing fire safety and enlarging the work of testing manufactured products to reduce loss from fires and related accidents were discussed at Underwriters Laboratories' main office and testing station in Chicago by 25 fire-preventionists from the United States and Canada.

Those attending were members and guests of the Fire Council, a group largely composed of engineers whose work is the inspecting of buildings and the estimating of fire hazards of equipment and structures.

Alvah Small, president of the Laboratories and president of the National Fire Protection Association, presided. Curtis R. Welborn, secretary of the Laboratories, led the discussion on the practicability of having the Laboratories test manufactured products for quality and efficiency as well as for safety.

Many Tested for Efficiency

The products of several hundred burner manufacturers have been tested under the efficiency standard.

Mr. Small said that on such devices as sprinklers and fire extinguishers where the efficiency directly affects the utility of the product as a fire-protection item, its efficiency has always been a major consideration of the investigations.

Air conditioning was discussed. Serious fire-protection problems are being introduced in theaters and other buildings where air conditioning duct systems are run throughout the building. A fire breaking out in one section may be transmitted by the air draft through the duct system to other parts of the building if automatic equipment is not provided to prevent this. Such fires are difficult for fire departments to reach, as the ducts are generally concealed.

J. H. Witte, gases and oils department, described the use of automatic electric controls on gas and oil burners used in air conditioning. These devices will shut down the burner and blower when dangerous temperatures are reached in the burner or in the ducts.

Smoke Detectors

Robert B. Shepard, electrical engineer, discussed methods of testing the reliability of smoke detectors for air conditioning systems. It was proposed that these devices be considered as parts of fire alarm systems.

John Neale, engineer of the Laboratories, initiated a discussion of the fire hazards of building materials.

The inspection of UL approved products such as fire hose, extinguishers and other devices purchased by the various departments of the federal government was summarized by Guy E. Manning, superintendent label service department.

Among those present were: H. L. Grider, manager Western Factory; C. N. Comegys, assistant manager, Oil Association; George W. Booth, National Board, New York; W. K. Estep, Middle Department Rating Association, Pittsburgh; R. C. Loughhead, Michigan Inspection Bureau; S. T. Stack, New York Fire Insurance Exchange; R. M. Beckwith, Western Actuarial Bureau.

C. T. Ingalls, Oklahoma Inspection Bureau; Charles O. Jost, Canadian Underwriters Association, Montreal; J. B. Wilkinson, Fire Insurance Rating Bureau, Milwaukee; G. H. Parker and J. L. Thompson, Kentucky Actuarial Bureau; H. N. Pye, Southeastern Underwriters Association; Benjamin Richards, Underwriters Service Association; E. M. Sellers, Indiana Inspection Bureau; H. Oram Smith, Texas Inspection Bureau, Dallas; S. L. Burgher, New England Fire Insurance Rating Association; Paul

Form New Insurance "Ad" Firm



R. D. PARKER

Raymond D. Parker, manager of the insurance department of Cowan & Dengler, Inc., announces the formation of Parker-Allston Associates, Inc. The new agency, to be located at 18 East 48 street, New York, will specialize in insurance advertising.

Mr. Parker attended Northeastern University school of law. He then went with Employers Liability at the home office, marking the beginning of a career in the insurance field which has covered more than 30 years.

He next served in the liability department of Elmer A. Lord & Co.; then as manager of the liability department of Frank Gair Macomber.

During the last war, Mr. Parker, then a member of the First Corps of Cadets, Boston, served overseas for two years as sergeant in the 101st Engineers 26th division. Upon his return to Boston, he became affiliated with New Amsterdam Casualty where he enjoyed rapid promotion from chief clerk to special agent, and then to New England manager.

Ten years later an opportunity arose to manage the insurance advertising de-



F. K. ALLSTON

partment of the A. W. Ellis Company. Here Mr. Parker found that his diversified experience in the insurance business stood him in good stead when he turned his attention to the problems of insurance companies in their advertising programs. This served to intensify his keen interest in the advertising end of the business.

In 1936 Mr. Parker severed his connection with A. W. Ellis to go to New York, where he has successfully handled the advertising of such companies as Crum & Forster, Berkshire Life, Phoenix-London group, London & Lancashire, Appleton & Cox, American Fidelity & Casualty, Century and Pacific Coast Fire.

Officers of Parker-Allston Associates, Inc., will be: Mr. Parker, president; F. Kenneth Allston, vice-president and treasurer; Marion Hess, secretary. Mr. Allston has had 25 years' experience in the production of graphic arts. For the past 10 years he has headed Allston & Depew, an organization well-known in advertising circles for their layouts and art work.

W. Terry and K. W. Adkins, Missouri Inspection Bureau; J. S. Trump, Middle Department Rating Association, Philadelphia; Leon Watson, Schedule Rating Office of N. J.; William B. White, New York Board of Fire Underwriters; Carlyle Hill, Middle Department Rating Association, Philadelphia.

Guests at the meeting were: W. E. Baldwin, America Fore, Montreal, chairman of Underwriters' Laboratories of Canada, and A. H. S. Stead, member of the board of Underwriters Laboratories of Canada and manager of the Dominion Board.

Luncheon was served at the Labora-

tories after which the group was conducted on a tour of the individual department laboratories. A banquet was held in the evening.

Increase Idaho Coverage

BOISE, IDA.—Buildings and property operated under direction of the Idaho public welfare department will be covered by additional insurance amounting to \$889,734, bringing the total to \$1,590,000 following approval of recommendations by Commissioner Emory Afton to Governor Bottolfson.

THIS WEEK IN INSURANCE

Many important insurance problems are discussed at midyear meeting of the insurance division of American Management Association in Chicago. **Page 3**

Discussion of insurance matters at meeting of American Finance Conference indicates that the finance people fear that the new equity rating plan will provide an advantage to banks over finance companies. **Page 3**

Rhode Island is setting up a western department in Chicago in charge of R. W. Tapper and J. E. Reinhold. **Page 3**

Special cables are being fitted to the Whitestone bridge in New York to counteract aerodynamic flutter of the type that destroyed the Tacoma bridge. **Page 5**

Proposed bill governing countersignature and licensing of non-resident brokers is submitted to insurance commissioners by committee headed by Harrington of Massachusetts. **Page 3**

Effort made to place agencies under wage and hour act, questionnaire sent to Chicago offices. **Page 15**

Robert A. Parker is appointed acting manager of the Chicago Board. **Page 15**

W. E. Mallalieu, general manager of the National Board, is presented with oil portrait of himself on his 40th anniversary with the National Board. **Page 6**

Insurance Advertising Conference holds meeting in New York. **Page 19**

National Bureau of Casualty & Surety Underwriters authorizes endorsement to boiler and machinery policy covering malicious mischief, vandalism and sabotage. **Page 10**

Interesting figures on the operation of the retrospective rating plan are given by W. F. Roeber at annual meeting of National Council on Compensation Insurance. **Page 21**

Health & Accident Underwriters Conference decides to hold annual meeting in Chicago. Joint dinner held with Bureau of Personal Accident & Health Underwriters in New York. **Page 20**

Effect of new financing of Standard Accident is made clear in message from President C. C. Bowen. **Page 30**

Discussion of new workmen's compensation act is absorbing topic at midyear convention of Arkansas Association of Insurance Agents. **Page 21**

How U. S. Chamber Will Expand Work

Will Study Effect of Governmental Agencies on Insurance, Ewing Explains

WASHINGTON—Details of plans for expansion of the insurance activities of the U. S. Chamber of Commerce were put before the directors by Esmond Ewing, vice-president of Travelers Fire, who is chairman of the chamber's insurance department committee.

Under the arrangement, Terence F. Cunneen, manager of the chamber's insurance department, becomes executive assistant for insurance and Arthur H. von Thaden, assistant manager, becomes the department's manager.

"The spreading powers of government agencies, out of which have come countless rules and regulations and numerous decisions bearing upon the conduct of the insurance business, makes it increasingly important for insurance to be in touch with what is going on," Mr. Ewing said.

"The chamber's insurance department is on the scene, and one of its essential functions will be to undertake a ceaseless quest for information about the myriad operations of modern-day government with their far-reaching repercussions on insurance. The insurance department will make closer contact with virtually every point where the relations of insurance and government impinge upon each other. Annual reports of government agencies will be further studied to help to formulate a more definite point of view as to what these agencies may be doing of interest to the business. Bulletins containing the findings of these studies will be sent to insurance companies. Investigations of the services the many government departments have to offer which the insurance business can use advantageously will be given study."

Widen Knowledge of Insurance

The insurance department will seek to widen the knowledge of business men along insurance lines and conservation through pamphlets, newspaper and magazine articles, and cooperating with other agencies which can help disseminate the insurance information. The insurance department will bring to the average citizen an understanding of the ABC's of insurance and an appreciation of the bearing of insurance upon the industrial and commercial life.

The conservation work of the department will be continued and expanded. There will be greater emphasis on industrial health. In fire prevention, more effort will be made to supplement and encourage a greater use of the technical agencies. The fire waste contest will aid the national defense program. Credit will be given by the judges to reports which show that action has been taken by the local fire prevention committee to prevent sabotage and fires of an incendiary nature.

Bulletins covering some of the new activities are in the making relating to workmen's compensation, insurance taxes, domestic oil heating, approved rural fire departments, prevention of sabotage and interesting youth organizations in conservation work.

Visits to the home office of member companies will be arranged. Through these visits ways will be found to improve the services of the department.

Official Figures from Wash.

The final figures are now available in the race for insurance commissioner in the state of Washington in the general election Nov. 5. William A. Sullivan, Democratic candidate for reelection, received 421,314 votes and Fred C. Becker, Republican, received 283,340. Only President Roosevelt and two other state officers had a greater majority than Mr. Sullivan.

Move to Reinforce Bronx-Whitestone Bridge in N. Y.

Counteract Aerodynamic Flutter of Type That Destroyed Tacoma Structure

NEW YORK—As a result of extensive tests made on a scale model at Princeton University school of engineering the Bronx-Whitestone bridge of the Port of New York Authority is being fitted with special cables to counteract aerodynamic flutter of the type which destroyed the Tacoma Narrows bridge.

At the time of the Tacoma bridge crash considerable publicity was given to the fact that the Bronx-Whitestone bridge had shown a tendency to a similar type of vibration though on a much smaller scale because of the shorter span, the wider and heavier roadway, different wind conditions, and probably other factors. Even these slight vibrations had been pretty well curbed by the time of the Tacoma bridge crash.

Taking Every Precaution

However, since aerodynamics as applied to bridge construction is a relatively new science it was felt advisable to do everything possible to eliminate even the slightest trace of flutter. Experiments with the scale model at Princeton, conducted by Professor E. K. Timby, showed that auxiliary cables running from the top of each tower to adjacent points on the roadway about one-eighth of the distance between the towers would act as an effective dampener of aerodynamic vibrations of the type capable of building up to serious proportions.

Until the Tacoma Narrows bridge began to demonstrate its peculiar behavior in winds of certain moderate velocities, bridge designers had not much cause to worry about aerodynamics in their work, except for the relatively simple matter of calculating the strength of construction necessary to resist the straight push of winds of high velocity. Big bridges are constructed to stand winds well in excess of 100 miles an hour.

Reason for Tacoma Delay

In connection with the Tacoma bridge crash, the reason so much time has been taken in attempting to arrive at even an approximate idea of the damage is that the latter depends largely on whether the main cables can be saved, which in turn depends on whether the towers can be salvaged. When the roadway of the center span fell the towers bent outward about 24 feet from their original positions, coming to rest at about 12 feet out of true.

Until the load of the side spans has been removed to bring the towers back to what the engineers call the "bare cables" position it is impossible to tell whether the buckling of some of the plates composing the towers will smooth out or whether these plates have been strained beyond their limit of recovery. Some of this buckling, it is known, will call for local replacements, but the hope is that in the main the towers have not been sprung beyond their safe elastic limit.

Adjustment Question Open

The committee named to deal with the authorities on Tacoma insurance liability is hampered through the inability thus far of fire and inland marine interests to agree as to adjusters. The fire companies would have the Fire Companies Adjustment Bureau handle the

Educator



GEORGE W. SCOTT

George W. Scott, assistant secretary of the National Association of Insurance Agents, has now been placed in charge of the broad educational program of the organization. He has been with the N. A. I. A. since 1928.

claim, while the marine offices feel the problem is one which they are better equipped to deal with. Until accord is reached, the bridge authorities decline to discuss settlement. It is yet a question whether the bridge was formally accepted from the contractors, and it is stated the final payment of something over \$1,250,000 due the contractors, had not been made at the time of the bridge's collapse.



VIEWS FROM INSURANCE COMMISSIONERS' MEETING IN NEW YORK:

Above—W. O. Wilson, Richmond, Va., former president, and W. H. Bennett, general counsel National Association of Insurance Agents, and A. J. Rouillard, New Hampshire commissioner.

Below—J. M. Eaton, assistant general manager American Mutual Alliance, and Allan E. Brosmith, Travelers.

National Defense Program and Sabotage Threat Viewed

Fire protection's important part in the national defense program was discussed from three different angles before the state fire marshal's section at the mid-year meeting of the National Fire Protection Association in Chicago. Percy Bugbee, general manager N. F. P. A., gave a general review of the situation, J. W. Just, University of Maryland fire service extension director, told of the extensive program under way in his state and W. S. Devereaux, northern Illinois district supervisor of the Federal Bureau of Investigation, outlined his organization's activities.

Although the sabotage threat was paramount in the discussion, attention was also called to the need for close attention to ordinary fire protection precautions. Plants which are being pressed to the production limit have a tendency to be lax on fire prevention precautions. The increasing demands for labor is resulting in the employment of inexperienced and older men who are more apt to cause fires and accidents because of inefficiency and carelessness than are regular men.

Mr. Bugbee said that an intensive study is being made of damage by incendiary bombs. The war department has a committee working on the problem of making plans for protection against this threat although there has not been much publicity regarding it. The national defense commission is holding conferences on fire and sabotage defense. The F. B. I. is assuming responsibility in the checking of sabotage and a committee of fire insurance company presidents is cooperating with it. The National Board is helping the war and navy departments in protecting their properties. The National Fire Protection Association covered the incendiary

bomb problem in a recent issue of its quarterly. Every effort is being made to get information on the English situation, which of course is limited by the censorship. Members of the New York fire department now in England are studying methods for defense from incendiary bombs.

Inventory of Equipment

In introducing Chief Just, Mr. Bugbee predicted that an inventory of fire department equipment will be made in every state similar to the plan which Mr. Just outlined for Maryland.

In telling of Maryland's extensive program, Chief Just said that his state was particularly concerned because of its long coast line. He pointed out that in England fire service preparations had been started fully a year before the war got under way. Under the national defense program it is likely that each state will be called upon to take care of its own fire defense. Massachusetts has taken some action but the program in Maryland is the most extensive so far inaugurated.

A questionnaire was sent out to get information on equipment and facilities of the various local fire departments in Maryland. A large chart is being prepared for distribution to each fire department showing not only the fire protection equipment and man-power available, but also hospital, first-aid, police and taxicab facilities and assistance available from scout troops and ladies auxiliaries. A mutual aid program is being worked out so that neighboring fire departments can assist in case of conflagration. A complete list of personnel of the fire department has been compiled in order to provide a double check in investigating suspicious fires. Under the volunteer system, which predominates in Maryland, it has been easy to join a fire department, but the departments are now taking more precautions in seeking new members so as to eliminate all possible saboteurs.

Seven Defense Districts

Maryland is divided into seven districts with a coordinator in charge of each to contact local fire chiefs. Chiefs are being urged to see that their departments are properly equipped and have efficient and trained man-power.

Four three-day training schools have been held to develop trained deputy state fire marshals to aid in detecting subversive acts. Although expert investigators can't be trained in three days, they can be given a schooling in the fundamentals which may stimulate an appetite for further personal study. A high type of man has been attracted to the schools and politics have been kept out. Deputies serve without pay.

Under Maryland's training program for firemen about 50 classes composed of 1,100 men are meeting every week. A program for training auxiliary units is also under consideration.

Mr. Just said that there is small possibility of the federal government buying equipment to help with the fire defense of towns now having inadequate equipment. The FBI is cooperating fully with the Maryland program and in turn steps have been taken to keep Maryland fire departments from interfering with FBI's work.

FBI Men Outline Work

The FBI's work in preservation of industrial facilities was outlined by Mr. Devereaux. The national defense commission has undertaken a survey of industrial plants and suggestions are being offered to increase the workability of the various units. Insurance companies and fire marshals are being asked to give reports on plants which they have inspected. The suggestions are pre-

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Honor Mallalieu's 40 Years



NEW YORK—On the eve of his 40th anniversary with the National Board, general manager W. E. Mallalieu, was presented a portrait of himself at a surprise celebration. Every one of the more than 300 employees of the National Board contributed toward engaging a prominent artist to do the work. Mr. Mallalieu was unaware that he was "sitting" for his portrait while being interviewed by the artist on the subject of fire prevention.

The presentation speech was made by George W. Booth, chief engineer, whose service dates back farther than that of any member of the staff except Mr. Mallalieu.

More than 200 members of the National Board family were assembled in the room before Mr. Mallalieu was called there on a pretext. Also present were Mrs. Mallalieu and their sons, J. T. Mallalieu, and W. E. Mallalieu, Jr. Clarence Goldsmith, assistant chief engineer in charge of the Chicago office, represented employees in that branch.

When Mr. Booth finished speaking, Miss Florence Ewald of the actuarial bureau staff, pulled a cord which drew the curtain aside, revealing the portrait.

Mr. and Mrs. Mallalieu are shown in the picture above, with the portrait.

Mr. Mallalieu was touched by the sentiments expressed and the memories recalled by Mr. Booth.

The portrait is the work of Nathan Moses, New York artist.

Each employee received a souvenir brochure, the front cover of which bore a reproduction of the portrait. Inside pages contained a tribute paid to Mr. Mallalieu at the annual meeting in May, 1935, by James Wyper, vice-president of Hartford Fire; a photograph of Mr. Mallalieu taken in 1900, shortly before he joined the National Board; reproductions of letters from the secretary to President Wilson, the assistant secretaries of the War and Navy Departments, and the chairman of the United States Shipping Board, thanking the National Board for its service during the world war; a page devoted to newspaper headlines of outstanding events of the past 40 years and a photograph of the entrance to the National Board Building.

A buffet luncheon was served for all present at the Drug & Chemical Club.

Mr. Mallalieu was graduated from the Stevens Institute of Technology and spent the next few years with the H. R.

Worthington Pump Co., and the Western Electric Co.

Mr. Mallalieu obtained a position with the National Board as an electrical inspector in 1900. Six years later he was appointed assistant general agent and in 1910 was appointed general manager.

On Monday of this week, the actual date of Mr. Mallalieu's anniversary, the Twenty-Five Year Club of the National Board, held its annual luncheon. Three additional members were inducted, they being Mrs. Edna M. Van Pelt and Albert R. Lehnhardt, of the actuarial bureau staff, and Miss Elizabeth Eglington, who completed 25 years of service in the same department before retiring last July.

Following the business meeting, the Twenty-five Year Club entertained members of the Twenty-Year Club at a reception at which 35 members of the combined groups were present. The reception was followed by luncheon which was attended by two past presidents of the National Board, Fred W. Koeckert, United States manager of Commercial Union, and William H. Koop, president of Great American.

Mr. Mallalieu, as president of the club, presided. Other officers are R. C. Dennett, vice-president, and A. C. Hutson, secretary.

General Agents Organize in Virginia and Carolinas

S. L. Smith of Raleigh, N. C., has been elected president of the newly organized Virginia - Carolina General Agents Association. S. Louis Johnson of Charleston, S. C., is vice-president; J. W. McAllister, Greensboro, N. C., is secretary, and H. F. Thompson, Richmond, treasurer.

All supervising general agents, representing S. E. U. A. companies, and operating in either Virginia, North Carolina or South Carolina are eligible.

The next meeting is scheduled to be held at Charlotte, N. C., Feb. 20-21. All capital stock company interests will be invited to attend.

The new organization is a unit of the American Association of Insurance General Agents.

Joseph Gough, resident secretary of North America, will address the Lynn, Mass., Board on "Rent Insurance" Dec. 17.

How Long Is Christmas?

Pride in the ownership of beautiful gifts makes the Yuletide Spirit linger long after holly and mistletoe are gone, as this month's Alliance national advertising points out.

For real enjoyment of Christmas presents—jewelry, furs, musical instruments, gold and silverware, cameras and other valuable gifts—the message recommends insuring them against theft, accidental loss, destruction or damage by fire or other cause. So, for peace of mind after presents are unwrapped, the reader is advised to

"Ask the Alliance Agent"



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

Head Office:—1600 Arch St., Philadelphia
New York Office:—99 John Street, New York City
Chicago Office:—209 West Jackson Boulevard
San Francisco Office:—222 Sansome Street

CAA Program Is Slowing Down

Enrollment in the CAA civilian pilot training program courses has fallen off markedly since the government, as part of the defense program, has been requiring trainees to pledge themselves to apply for further flight training in the military service when needed.

One remedy suggested for this drop in enrollment is to give the students college credits for their aviation courses. This is already being done at Ohio State University and Virginia Polytechnic Institute. It is believed that if this were done there would be no trouble keeping up the enrollment to the desired number.

Another difficulty that faces the CAA program is that, while congress has appropriated enough money to carry the courses through next summer, it is quite likely that congress will cut down drastically on appropriations for civilian pilot training after that in order to conserve funds for the national defense program.

Already there are reports that the war department may refuse the CAA authority to use the better flying fields if the training program conflicts with army use. This would mean that the CAA students would be relegated to the smaller, more poorly equipped, unregulated fields, with the greatly increased danger of accidents. This possibility would have a considerable bearing on the insurance hazard.

Intrastate Issue Yet to Be Settled

NEW YORK—Walter H. Bennett, general counsel of the National Association of Insurance Agents, issued a statement this week in connection with the fact that the recent agreement between the N.A.I.A. and the Association of Casualty & Surety Executives regarding countersignature, applies only to interstate business and not to intrastate.

The executive committee of the N.A.I.A., Mr. Bennett explained, desired to have both questions settled at the same time. However, the companies took the position that these were two different problems. One concerns how business shall be handled when produced by a non-resident agent or broker, requiring the countersignature by a resident local agent. The other concerns business produced by a resident broker, the policy for which must be countersigned by a resident agent. In most states, he observed, resident agents can be salaried employees. Under the New York and many other laws, it is not necessary that the licensed agent that countersigns shall be compensated on a commission basis.

The N.A.I.A. takes the position that policies should be effectuated through and by a licensed resident agent compensated on a commission basis.

The companies were willing to negotiate on the handling of interstate business, but they were not yet willing to negotiate on the intrastate question. The companies stated that brokers generally prefer to have their policies countersigned by salaried employees. The executive committee of the N.A.I.A. was confronted with the option of negotiating an agreement on interstate business or having no agreement at all.

It was a question of necessity so far as the executive committee was concerned.

The executive committee has reserved the privilege to carry on further negotiations with the companies governing intrastate business. It is not possible to get these complicated questions settled in a hurry.

Insurance Survey in Youngstown

YOUNGSTOWN—Survey of Youngstown insurance coverage has been instituted by Municipal Finance Director

Mitchell, who pointed out that when the current civic administration took office a policy of distributing insurance among a number of different agencies was adopted, rather than the former practice of awarding all the business to one favored firm.

Arkansas Commissioner Comment

LITTLE ROCK, ARK.—While no announcements have been made of Governor-elect Homer M. Adkins' selections for key posts in his administration, A. B. Hill, Union Central Life, Little Rock, former state superintendent of public

instruction, is regarded as the most likely choice for insurance commissioner. Others mentioned are U. A. Gentry, former commissioner, and Joe Martin, Jonesboro, owner of the Home Insurance Agency.

Dauwalter Speaks in Atlanta

ATLANTA—F. S. Dauwalter, assistant manager National Board, addressed the annual meeting of the Insurance Library Association, held with a large number of local agents, state managers and special agents present. J. M. Harrison, manager Royal group, association

president, presided. P. H. Plant is secretary. Diplomas were awarded to graduates in the Insurance Institute courses.

Affirm O'Malley Refund Order

KANSAS CITY—A motion for rehearing on the order directing former Superintendent O'Malley and his bonding company to return \$85,264 to the insurance department in connection with the Manufacturing Lumbermen's Underwriters receivership was overruled by Circuit Judge Southern. He was given to Dec. 14 to refund the money.

"I GIVE UP...
WHICH IS IT?"

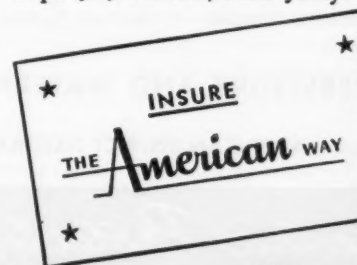
● Have you ever been provoked by the one faulty bulb that put out a whole string of Christmas lights? Just one bulb can cause you a lot of trouble.

A lot of things are like Christmas lights. Insurance, for instance. A whole string of policies can't help a client of yours if he has one unexpected loss that is *not* protected.

We are telling this story in the December 7 issue of *The Saturday Evening Post*. It is one of a series of advertisements of The American Insurance Group to help its agents sell more, efficient protection.

Insurance—The American Way—starts out with the unusual RISK DETECTOR. In response to advertising, families everywhere are writing to the home office for their copy. The local agent makes the sale.

Write for the complete story of "Insure The American Way." Learn how you can apply this effective technique to your local problems through the exclusive selling plan worked out by this Group. Address The American Insurance Group, Dept. 524, Newark, New Jersey.



THE American Insurance Group

Newark New Jersey

The American Insurance Company The Jersey Fire Underwriters

The Columbia Fire Insurance Company Dixie Fire Insurance Company

Bankers Indemnity Insurance Company



NEWS OF FIELD MEN

Great American Announces New Coast Field Lineup

SAN FRANCISCO—The field organization for the newly established Pacific Coast department of the Great American group, which separates from the joint management with the Phoenix of Hartford after 39 years, has been announced by Manager Herbert Ryman.

W. H. Maloy, special agent in the past for both the Great American and Phoenix in Washington, becomes special agent for the Great American in western Washington and northern Idaho with headquarters in Seattle. George R. Parker, from the home office in New York, takes over Oregon with headquarters in Portland.

M. A. Jackson has been named special agent for Utah, Nevada and southern Idaho with offices in Salt Lake City. He formerly represented the Phoenix in that field.

C. C. Adams has been appointed manager of the Great American's southern California service office in Los Angeles, with W. C. Hiney as special agent for that territory and Arizona.

L. A. Root, who comes from the east, has been appointed special agent of the inland marine department in Los Angeles to succeed W. D. Frampton, who is transferred to San Francisco as superintendent of the inland marine department on the Pacific Coast.

E. C. Dietz will cover the Sacramento valley and San Joaquin county in California with headquarters in Sacramento. E. M. Northup, veteran of the San Francisco east bay and north coast territory, remains in that capacity. There is still another appointment to be made in the San Joaquin valley and southern California.

R. C. Ainslee, who has been in the San Francisco headquarters for several years, has been appointed special agent for the city of San Francisco and the San Francisco peninsula.

G. A. Hamilton to Syracuse

George A. Hamilton, heretofore special agent in the New York suburban territory for Northwestern National, has been promoted to special agent for New York state with headquarters in the State Tower building, Syracuse. He has been with Northwestern National 10 years and is well known in his field. He is a past president of the Insurance Square Club.

Mr. Hamilton takes the place of John K. Sharkey, who is retiring from active business life. He has been with Northwestern National more than 30 years.

Succeeding Mr. Hamilton in the suburban field is Thomas F. Whelan who has been an examiner in the New York metropolitan branch.

Kansas Field Men Recovering

Three Wichita field men who have been on the sick list are reported much improved. Van B. Higbee, Hartford Fire special agent, confined to Wesley Hospital since Nov. 26, expects to return home this week, having avoided a threatened gall stone operation. L. T. Stubbs, Central States Fire Oklahoma state agent, in the same hospital for the past three weeks with a peritonitis infection, likewise expects to return home this week but must return later for an appendectomy.

Hugh Coldwell, Commercial Union state agent, confined to his home the past ten days, expected to return to his office this week.

Mitchell Jenkins, major, Pennsylvania national guard, addressed a dinner meeting of the Anthracite Field Club at Wilkes-Barre, Pa., Tuesday evening. He explained the operations of the draft act and the operation of the federal and state laws regarding indebtedness of volunteers and draftees and the cooperation expected of insurance agents.

Mental Agony Suffered by Ill. Blue Goose Candidates

A class of about 20 candidates was initiated into the Illinois Blue Goose at a prolonged dinner meeting in Chicago Monday. The candidates were subjected to unusual mental agony, because for one reason or another the initiation did not take place until late in the evening. For one thing, Don Campbell, credit

manager of America Fore and head of the guards, was particularly slow and awkward in getting the instruments of torture prepared. Then the proceedings were delayed because there was introduced one of these fake foreigner acts that was performed by Axel Christenson, "the Czar of Rag," who made quite a hit. There was an especially large turnout of past most loyal ganders. Frank Cargill, North British & Mercantile, was in charge as most loyal gander. There was a good goose dinner and everybody had a good time even though things got balled up.

Among those initiated were Earl Vogt,

advertising manager of Millers National, and George H. Grear, of McKinney, Polonic & Grear, prominent insurance attorneys of Chicago.

Mr. Cargill presented a prize to William L. Engberg, manager at Rockford, Ill., for Firemen's, for having procured the largest number of new members for the Blue Goose.

Bailey Handles Entire Kan. Field

Carl E. Bailey of Wichita, state agent for Crum & Forster, will have charge of the entire Kansas field during the absence of Howard S. Searle, Topeka, Kan.



...and water in a sprinkler system is no exception to this fundamental law—which accounts for our annual winter epidemics of needless fire and water losses in sprinklered properties due to freezing...losses which a few simple precautions could so easily prevent.

Frozen sprinkler tanks, leaks from bursting pipes, disastrous fires because sprinklers are shut off to prevent freezing—these are the chief dangers to contend with. And the best safeguard against losses from these causes is A.D.T. Sprinkler Supervisory and Waterflow Alarm Service, which automatically detects trouble

conditions in time to correct them *before* serious damage results. This service also makes the sprinkler an automatic fire alarm, automatically summoning the fire department the instant a sprinkler head opens or serious leak occurs.

You can be of genuine service to your clients and prospects by calling their attention to the need for extra vigilance over sprinkler systems during cold weather. If you desire, we shall be glad to cooperate with you in arranging for A.D.T. Protection. Write for descriptive booklets and further information.

A. D. T. SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N. Y.
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE U. S.



Electric Protection Services
AGAINST FIRE · BURGLARY · HOLDUP
A NATION-WIDE ORGANIZATION

sas state agent, who has been called into active service and is one of the key officers in the 35th division. Lieut. Col. Searle, assistant chief of staff, will be in charge of the plans and training section of the division. The Topeka office will be temporarily closed and the Kansas field will be served entirely from Wichita.

New Edition of "Question Box"

The Syracuse Field Club has published a second edition of "The Question Box," a booklet of questions and answers to assist prospective agents and brokers in passing examinations given by the insurance department.

The first edition which was published last year, met with success.

The material used in the preparation of "The Question Box" was compiled and edited by David C. White, state agent of Globe & Rutgers. The booklet deals with fire, marine, casualty and surety questions in addition to a miscellaneous group of questions and answers relating to insurance companies and the laws.

Bonstin Heads Glee Club

The glee club of San Francisco Blue Goose has been reestablished with Elmer Bonstin, vice-president Pacific National Fire, as chairman, Willis Pratt, Corroon & Reynolds, secretary, and Walter Murphy, Pacific National, librarian. The club expects to make its first public appearance at the Blue Goose Christmas luncheon, Dec. 23.

J. P. Burnett to Georgia

J. P. Burnett, Commercial Union special agent in Florida, has been transferred to the Atlanta office to succeed Special Agent Merrill Ewing, who resigned to enter the general agency business. Ruben Nixon, from the New York office, takes over the Florida territory formerly handled by Mr. Burnett.

E. L. Durrell with National

E. L. Durrell has been appointed special agent in southern California and Arizona by the National Fire of Hartford, to assist Special Agent E. E. Harris. Mr. Durrell, who will make his headquarters in Los Angeles, had many years' experience in special agency work in southern California.

Texas See Prevention Film

DALLAS—The Texas Blue Goose saw the film, "They Don't Burn Unless You Help Them," and a demonstration of a newly devised gas detector at the last meeting for 1940. Tentative plans were made for the annual ladies' night observance and dance in January. The committee on charities was authorized to use available funds for distribution of Christmas baskets.

R. M. Hubbell in Indianapolis

R. M. Hubbell, recently appointed state agent Indiana territory State of Pennsylvania to succeed O. H. Rudy, will have offices in the Security Trust building, 130 East Washington street, Indianapolis. Mr. Hubbell has been special agent Great American in Indiana. He is the son of J. G. Hubbell, president National Inspection Company, Chicago.

Citizens' New England Shifts

George E. Hill, of Boston, special agent of the Citizens, one of the best known and most popular field men in New England, is retiring from active duty at his own request, following 30 years of service, all in the New England field. Floyd C. MacGregor will take over the work in Maine, Massachusetts and New Hampshire. Rhode Island has been added to the territory now supervised by Special Agent R. E. Overhysser.

Hartford Fire has also made a number of other changes in the New England field. Special Agent Ralph A. Cartwright, formerly special agent in western Massachusetts, is transferred from Springfield to Boston with headquarters

at 141 Milk street. He will have increased responsibilities in Massachusetts and Rhode Island. His successor at Springfield is William F. Downs, formerly in the Connecticut field.

In Connecticut Special Agent Paul F. Arzt, Jr., is named as assistant to Special Agent Harry E. Jordan with headquarters at the home office. He has been trained in office and field work by his company.

Has True or False Program

A true or false fire prevention program was put on by the Ohio Stock Fire

Insurance Speakers Association at its meeting in Columbus, under the direction of T. J. Ocsek, president. A skit will be presented on Jan. 6 by J. A. Neilan, Norwich Union; G. F. Graf, Hanover, and D. P. Hague-Rogers, Eagle Star.

Tom Earp Okla. President

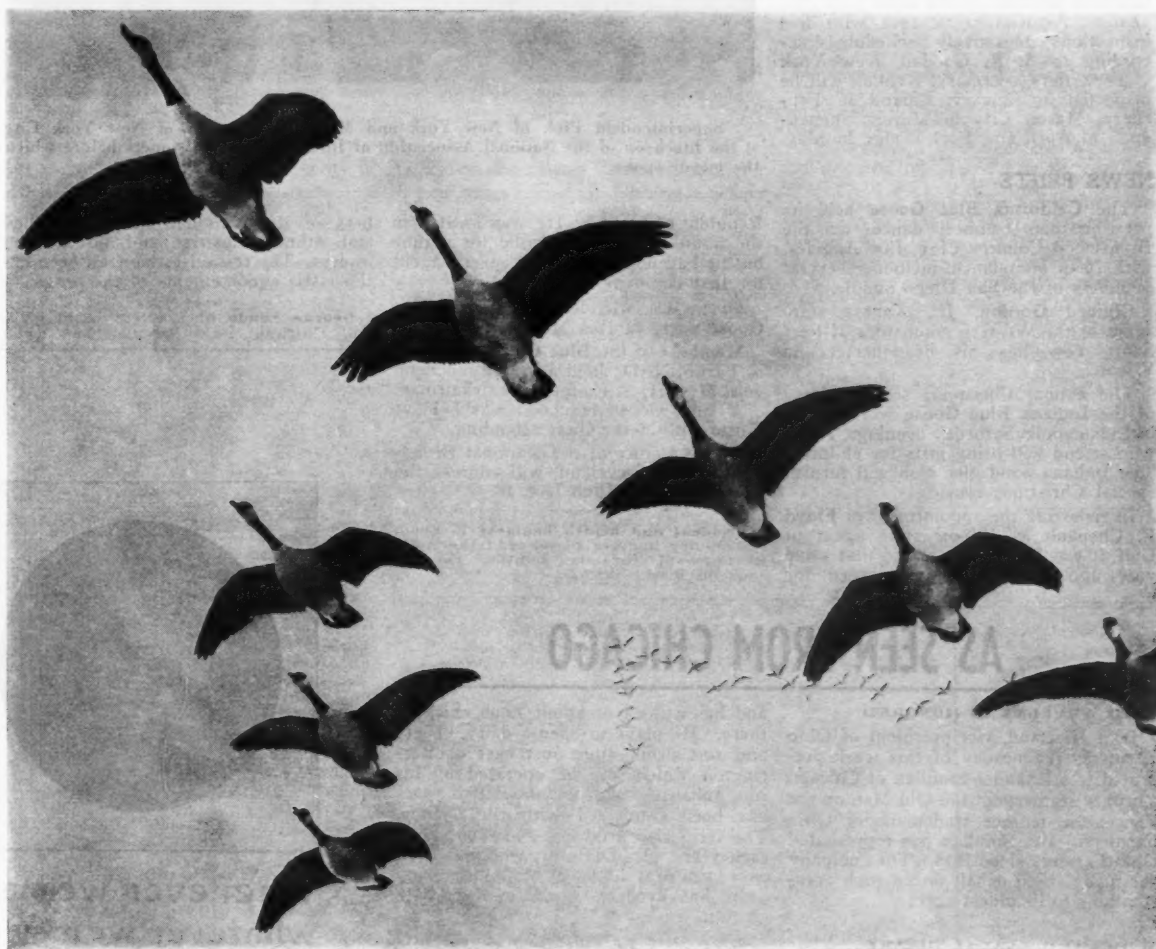
OKLAHOMA CITY—Tom Earp, Fidelity & Guaranty Fire, was elected president of the Oklahoma Fire Underwriters Association, with Clarence Kelly, Home, vice-president and John Benson, retired, reelected secretary.

New members of the executive committee include J. V. Keating, Royal-Liverpool; Robert H. Foltz, Springfield, and W. R. Mills, Commercial Union.

Heart of America Dinner Dance

The annual dinner dance of the Heart of America Blue Goose will be held in Kansas City Dec. 14. George Bredberg, Western Adjustment, is chairman. Profits will go to buy food baskets for needy families at Christmas.

Fire Commissioner W. A. Reilly and Chief S. J. Pope of the Boston fire de-



Galloway

ALERT

Some authorities say geese fly in a wedge so that the stronger ganders can take turns at point position to make the flying easier for the rest of the V. Some say it is because the wedge permits better vision by every bird. All agree that they are smart, strong, loyal. At feeding time, for example—there is always one on the alert to guard the others.

* * *

Teamwork is important everywhere, isn't it? There's nothing more vital to an agent than real cooperation from his company. . . And that's what we try to give.

Maybe that's why so many agents call us "Friendly Folks." Firm supporters of the American Agency System, the Agricultural and the Empire State try mighty hard to live up to that nickname. You'll find our capable fieldmen and the home office—from President to newest office boy—alert to give the type of service agents need.

With increasing business activities, building costs, and insurable values, perhaps you have need for another strong stock company. So that you can know more about us, may we send a representative to see you—now?

Agricultural
Insurance Company
of Watertown, N.Y.



Empire State
Insurance Company
of Watertown, N.Y.

Every Type of Property Insurance for Industry and the Home

partment will address the Bay State Club Dec. 13 in Boston.

Christenson with Fireman's Fund

Donald L. Christenson has been appointed special agent and engineer for Fireman's Fund covering Colorado and New Mexico with headquarters in Denver. He was connected with the Kansas Inspection Bureau and then had rating experience in the Rocky Mountain field.

Schedule Iowa Inspection

DES MOINES—An active campaign has been planned by the Iowa Fire Prevention Association in 1941 with five inspections tentatively scheduled according to A. R. Goodall, New York Underwriters, secretary. Keokuk will be inspected in January, Carroll in February, Mason City in March, Shenandoah in April and Fort Dodge in May.

NEWS BRIEFS

The California Blue Goose held its pre-Christmas dinner dance at the Brentwood Country Club, Los Angeles, with 70 in attendance, including several members of the San Diego puddle.

Clifford Gordon, Jr., Kansas state agent of the Western companies of Fort Scott, now has his headquarters in Wichita.

The annual Christmas sharing party of the Indiana Blue Goose will be held in Indianapolis Saturday evening. Those who attend will bring gifts for children. The Indiana pond glee club will furnish special Christmas music.

In reporting the appointment of Floyd P. Chenault as Illinois state agent of Gulf, it was incorrectly stated that some years ago he had been special agent for



Superintendent Pink of New York and Mayor La Guardia of New York City at the luncheon of the National Association of Insurance Commissioners before which the mayor spoke.

Republic of Dallas. He was located in the home office of Republic for a time but he had never served as special agent for that company.

Over 100 attended the Iowa Blue Goose party in Des Moines.

Members of the Blue Goose Auxiliary in Fargo, N. D., held a bridge luncheon with Mrs. H. S. Emmerich as chairman. A Blue Goose luncheon was held at Fargo with 20 members attending.

Waldo Pooler of the National Broadcasting Co., Cleveland, will address the Cleveland Field Club Dec. 16.

Accident and health business is good. For money making plans read the A&H Review—\$1 for six months, 175 W. Jackson Blvd., Chicago.

bers of the National Defense Council and other industrial and government leaders. The responses have all been enthusiastic endorsements of the program.

George Sando of Convers Goddard & Co., Chicago local agents, has been

Collections Predicted to Be Ahead of Previous Years

Special agents are of the opinion that collections for 1940 will show improvement over the last few years, according to how their accounts look at this time. During the month of December they put on a drive to get all collections in up to October 1, as producers are given 90 days in which to submit premiums. Premiums not over 90 days due may be entered in the annual statements as admitted assets.

There are always a few chronics who do not pay within the time allotted, but generally collections have been ahead since the low years, 1933-34. The field men feel that this improvement comes as a result of more stringent collection rules employed by the companies in the last five or six years. Credit is not being allowed as extensively to agents, and special agents have learned that it is necessary to drive the year around for collections instead of concentrating on the last months of the year.

elected president of the Central Kiwanis Club of Chicago.

Automobile quotation blanks increase sales. Write Reprint Department, National Underwriter, for samples.

AS SEEN FROM CHICAGO

ALEX SMULLAN IS HONORED

Jean Hiestand, vice-president of Ohio Farmers, Wednesday of this week presented to Alexander Smullan of Chicago a bronze statuette of the Old Man on the Fence, the famous trademark of Ohio Farmers. Mr. Smullan has represented Ohio Farmers since 1912. The company has made about a half dozen such presentations to its oldest agents.

OLD GUARD ANNUAL DINNER

America Fore Old Guard Association, Chicago office, composed of officers and employees who have completed 25 or more years of service, held their annual meeting at a dinner session.

Vice-president E. A. Henne presided. Vice-president F. A. Christensen attended from the home office and expressed greetings and best wishes. Other guests from out of town were Secretary F. E. O'Brien of Fidelity & Casualty and Canadian Manager W. E. Baldwin of Montreal.

F. A. Karasek, who has the longest service, dating from 1888, had the seat of honor.

Present membership in the Chicago branch includes 64, active and retired on pension.

DEBARRY TAKES SALES POST

C. D. DeBarry, who for about 10 years has operated the C. D. DeBarry & Co. general agency in Chicago, has sold his fire and casualty business to Osborn & Lange and is retiring from the general business to go with the Catholic Order of Foresters, Chicago fraternal society, Jan. 1, as general sales director in charge of the entire field organization. He resigned as general agent of the Lincoln National Life, a post which he had held for six years. R. N. Mann, who formerly was connected with the DeBarry agency, went with Osborn & Lange about a year ago, being familiar with the DeBarry business, will service it. Mr. DeBarry owns a 350-acre dairy farm near Barrington, Ill.,

and has a flock of about 1,000 chickens there. He plans to open a dairy, cheese and soft drink store just east of Barrington which will be operated by his son, Julian C., who for about two years has been connected with the agency. The farm also produces about 600 hogs each year. Mr. DeBarry, who was born on a farm near Lansing, Mich., for many years has lived on the farm near Barrington.

PARAMOUNT IS IN BOARD

Affiliation of Paramount Fire with the Chicago Board has been approved by the directors. They found that this company has enough votes to become affiliated.

The class 1 membership of the late John J. Coughlin was transferred to Fletcher S. Robertson, who has purchased the agency. Mr. Robertson served as Mr. Coughlin's confidential secretary.

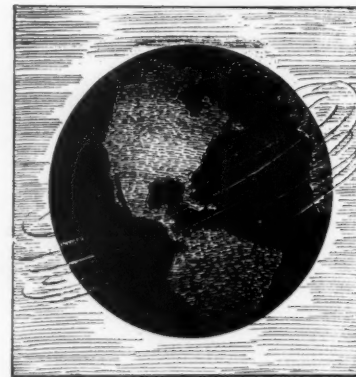
CHICAGO PREVENTION PROGRAM

The Chicago Association of Commerce has inaugurated an intensified year-round fire prevention program in the city. Heretofore, its activity consisted mainly of supporting fire prevention week activities. The new program arises from consciousness of the necessity of preventing avoidable fires as a major contribution to national defense.

On the theory that the most successful medium of general education in the field is through children to their parents, the effort will be directed to the attention of the young people. A poster contest is presently being sponsored in grade and high schools. R. G. Osgood, manager of the Chicago service office of North America, is chairman of the poster contest committee.

Much of the financial support, it is anticipated, will come from insurance interests.

The Association of Commerce solicited expressions of opinion as to the value of this type of activity from mem-



Beyond Horizons

Wherever we may be in this world-- whatever we may do or think, let us not forget that tomorrow must be planned for.

The Yorkshire's world wide operations are no happenstance. Its thinking and planning today is not befogged by the current Old World upset. Since 1824 every tomorrow has been and will be planned for by the Yorkshire --- it looks not only at a local scene but beyond horizons



THE YORKSHIRE
INSURANCE CO. LTD

LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD

Will Wrightman
FIELD CORRESPONDENT

SEA BOARD
FIRE & MARINE AND THE
YORKSHIRE
INDEMNITY CO. OF N.Y.

90 JOHN STREET
NEW YORK CITY

NEW YORK

Big N. Y. Bank Extends Auto Finance Facilities

NEW YORK—The National City Bank of New York is now making loans on automobiles. It had been making co-maker loans for some years, but is now prepared to deal direct with buyers. Loans are made on a 3½ percent discount basis, plus a 50 cent charge for life insurance. Car purchasers are required to carry fire, theft and collision insurance.

AID FOR DRAFTED BROKERS

A program has been advanced by the five brokers' associations of New York City to assist brokers who may be drafted to preserve their business. An outline of the plan has been filed with Superintendent Pink of New York. Alex Goldberger was chairman of a special committee on the subject.

The memorandum filed with Mr. Pink stated that the business of any broker called to the service should be handled only by a licensed broker. Each individual who is called to the service should make every effort to make suitable servicing arrangements either with some broker with whom he is friendly, with some member of his association or with some agency office or company with which he has transacted business. If he is unsuccessful in making any one of those arrangements, then he should apply to a special committee of the brokers' associations. That committee would submit a panel of brokers who have offered their services and whose names are on file with the insurance department. Neither the committee nor the department would assume any responsibility for any arrangements that may be concluded.

The committee would undertake to obtain such a panel of brokers and would provide a suggested form of contract to be used. The brokers getting this aid, however, should have independent legal assistance.

BOARD OF TRADE ELECTION

F. A. Christensen, executive vice-president America Fore group, and J. E. Lewis, vice-president Aetna Life, were elected directors, and F. N. Dull, vice-president Continental Casualty, and W. E. McKell, president New York Casualty, were reelected for another full three-year term by the New York Board of Trade.

Other insurance executives now serving include C. C. Gardiner, vice-president Hartford Steam Boiler, and Arthur Snyder, treasurer Alfred M. Best & Co. Both Mr. Christensen and Mr. Lewis were elected for full three year terms. Practically all branches of insurance are now represented, either on the board or on committee assignments.

A part of the New York Board of Trade is its insurance section. The section acts autonomously on all matters affecting the insurance business, but is closely tied in with the parent body. The section is under the direction of an executive committee.

Features Early Winnipeg Agency

An eight-page brochure has been issued by the St. Paul Fire & Marine telling the story of the opening of what is believed to have been the first local agency in western Canada in the fall of 1866.

The "Nor'-Wester," frontier newspaper at what is now Winnipeg, then known as "Red River Settlement," in its issue of Nov. 3, 1866, carried on its front page in large type, two columns wide, an announcement of the opening of a Red River agency by the St. Paul Fire & Marine, which is reproduced in the booklet. The announcement was signed by R. C. Burdick, a young clerk in the Hudson's Bay Co. store at the settlement, who thus put himself on record



Charles Ryan, chief of fire companies of the New York insurance department, and L. J. Kavanaugh, Colorado commissioner, are here shown at meeting of insurance commissioners.

as one of the first insurance agents in western Canada.

At that time there was no bank, no railroad, no telegraph office, not even a lawyer at the future Winnipeg. The settlement had not yet been incorporated; there was no province of Manitoba and confederation was not to come for another year.

Talks on Premium Financing

TOLEDO—The Lucas County Insurance Board heard G. H. White, First Bancredit Corporation, Cleveland, discuss "Premium Financing."

Automobile quotation blanks increase sales. Write Reprint Department, National Underwriter, for samples.

Large Fire Insurance Line Awarded in New Orleans

NEW ORLEANS—Leon Irwin & Co., New Orleans, was successful bidder for three insurance contracts awarded by the board of commissioners of the Port of New Orleans, a fourth going to Meyers, Whitty & Hodge. The contracts going to the Irwin office were: \$2,500,000 fire insurance on the public cotton warehouse, \$3,722 premium for five years; \$1,900,000, fire and inherent explosion, public grain elevator, premium, \$7,389 for five years; \$250,000 fire insurance on coal tipple, \$797 premium for one year. The contract to Meyers, Whitty & Hodge was for \$10,000 fire insurance.

Bids from Nine Agencies

Nine agencies bid, there being wide variation in rates quoted. On the cotton warehouse the five year rates ran from \$2,722 to \$6,000. On the grain elevator the five year rates varied from \$7,389 to \$19,000, and on the coal tipple, for one year, from \$797 to \$1,635.

As values were not furnished, the bureau did not publish average rates on the cotton warehouse and grain elevator. The published rate on the coal tipple was .654 for one year. While the bureau publishes rates on public property they are not mandatory in Louisiana.

SHOWMANSHIP

will never die...



The show must go on—if sales must come in. So ring up the curtain on our advertising and merchandising plans—*especially prepared for you*. Act number one is a continuous national advertising campaign—in magazines reaching 2,000,000 prospects every month. Act number two is direct mail material with which you can follow up our national ads. And act number three is The Employers' Pioneer, our monthly house organ—filled with good constructive articles that show how to increase your sales with the help of our advertising.

Want a Couple of Ducats?

Simply write to our Publicity Department for some recent issues of our house organ The Employers' Pioneer. They'll give you front row seats for our sales promotion show. You'll see how Employers' Group Agents profit by it. No charge—the Pioneers are on the house.

The
EMPLOYERS' GROUP



110 Milk Street, Boston, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.



INFORMAL POSES AT INSURANCE CONFERENCE OF AMERICAN MANAGEMENT ASSOCIATION:

Above—H. W. Heinrich, assistant superintendent engineering and inspection division, Travelers; H. H. Hook, insurance manager Koppers United Company, Pittsburgh; H. J. Howlett, secretary American Management Association, New York.

Below—Alvin E. Dodd, president American Management Association; E. W. Sawyer, National Bureau of Casualty & Surety Underwriters, and J. H. Walmsley, insurance adviser Borg-Warner Corp., Chicago.

New Committees of Bar Group's Insurance Section

Announcement is made of the 1940-1941 committees of the section of insurance law of the American Bar Association by the new chairman, Howard C. Spencer of Rochester, N. Y. This year's vice-chairman is J. S. Lewis, Ponca City, Okla., and secretary, C. F. Robinson, Portland, Me.

The committee on automobile insurance law, devoted to annotating the standard automobile liability policy, has now completed its work which will be published shortly. Chairman of this committee is Royce G. Rowe, Chicago, Lumbermen's Mutual Casualty; Robert N. Rose, New York, is vice-chairman.

Chairman of the committee on aviation insurance law is W. R. McKelvy, Seattle, and vice-chairman, J. W. Henderson, Philadelphia.

Hugh D. Combs, United States Fidelity & Guaranty, Baltimore, heads the committee on casualty insurance law. E. W. Sawyer, National Bureau of Casualty & Surety Underwriters, New York, is vice-chairman.

The chairman of fidelity-surety insurance law is Henry W. Nichols, New York City. J. Kemp Bartlett, Jr., is vice-chairman.

To help revise and extend the scope of the standard fire insurance policy, which will probably be the basis of this year's activity of the committee on fire insurance law, Mr. Spencer has appointed as chairman Thomas Watters, Jr., New York. James M. Guiher, Clarksburg, W. Va., is vice-chairman.

Chairman of the committee on health

and accident insurance law is Oliver H. Miller, Des Moines. Pinckney L. Cain, Columbia, S. C., is vice-chairman.

Eugene Quay of Chicago heads the committee on insurance law practice and procedure which studies the federal rules of practice governing trial and subsequent procedure. Wilbur E. Benoy, Columbus, O., is vice-chairman.

The committee on lay insurance adjusters is unchanged. E. Smythe Gambrell, Atlanta, is chairman, and Wilson C. Jainson, Hartford, vice-chairman.

Robert E. Hall, Aetna Casualty, Hartford, is chairman of the committee on marine and inland marine insurance law. George E. Beechwood, Philadelphia, is vice-chairman.

Lionel P. Kristeller, Newark, heads the committee on publications. John F. Hendy, Springfield, Mass., is vice-chairman.

The committee on qualification and regulation of insurance companies is headed by George W. Goble, University of Illinois; Samuel R. Feller, New York, is vice-chairman.

Hervey J. Drake, Association of Casualty & Surety Executives, New York, will serve as chairman of the committee to confer with the National Association of Insurance Commissioners. Allan E. Brosmith, Travelers, Hartford, is vice-chairman.

Chairman of the committee on unauthorized insurance companies is H. S. Moser, Chicago. Charles H. Cashin, Stevens Point, Wis., is vice-chairman.

The committee on workmen's compensation and employers liability insurance law is headed by Thomas N. Bartlett, Baltimore. John F. Hynes, Des Moines, is vice-chairman.

Kavanaugh Expected to Get Permanent Commissioner's Post

DENVER—It is reported by a source considered unimpeachable that the state civil service commission has selected Luke J. Kavanaugh as Colorado's permanent commissioner.

Civil service commission has refused to make any announcement regarding the recent examinations for the position other than to say that a decision has been made and that the six applicants for the job have been notified of their grades by mail. In line with a ruling providing that a 10-day appeal period must be allowed before results can be made public, the earliest date on which an announcement of the results can be made is Dec. 15.

Mr. Kavanaugh is expected to return to Denver by that date. He has been in New York attending the commissioners' convention.

Whether or not any of the six applicants would appeal their grades can not be learned immediately.

Rumors that the action of the state supreme court in denying rehearings in two cases involving the governor's right

to make appointments of certain department and board heads under the secretary of state's former jurisdiction might have any effect on the commissioner's post were denied by sources high in official circles.

The governor's authority in this case, which prior to the supreme court decision rested with the attorney-general, applies only in making a provisional appointment to fill a temporary vacancy. Thus, if the new civil service designee should die or resign, the governor would have the power to appoint a temporary successor to hold office until the civil service commission could again hold examinations and name a permanent designee.

Talks on Sea Power

NEW YORK—"Sea Power and Our Navy" was the subject of an address by Capt. E. C. Holden, Jr., of the United States Merchant Marine at the National Board rooms Tuesday. Sound pictures of the Navy were shown. S. D. McComb, manager Marine Office of America, as general chairman of the Marine Triangle club, presided.

H. B. Spindle, who has been operating as an independent adjuster in Marshall, Tex., has joined the San Antonio claim office of the Trinity-Universal.



... thin tree gives fat man slim protection! And in just such a hazardous condition is the partially-protected property owner who neglects to supplement fire protection with burglary, public liability, rent insurance, and other essential forms. "A danger foreseen is a danger

avoided" — if adequate precaution is taken! Provide your assureds with complete coverage by representing a multiple line Group — offering unparalleled facilities for writing all forms of Fire, Casualty and Inland Marine insurance through a single organization!



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Pacific Board Suits Settled

LOS ANGELES—The \$400,000 damage suit of Pierce & Sibert, Inc., against the Pacific Board, its member companies, Cosgrove & Co. of California, and Willard W. Keith, president of Cosgrove & Co., based on allegations connected with the insurance coverage of the plant of the Hollywood Turf Club, has been settled out of court. The terms of the settlement have not been made public. It was stated by both Wilson D. Pierce, Jr., and Willard W. Keith that the settlement was satisfactory to all parties.

The suit was filed early in the year. Samuel L. Carpenter, Jr., manager of the board, was named as a defendant, but subsequently he was eliminated. The case was set for hearing probably more than a dozen times, the last few being on a motion to transfer the trial from Los Angeles county to San Francisco.

The suit brought against the Pacific Board by Xum Speegle, that grew out of the separation rule of the board, has now been dismissed without prejudice on application of the plaintiff. He sued for damages alleging that his business was injured by the withdrawal from his office of board companies.



James A. Farley, former Postmaster General, as he stands before the "mike" at the National Association of Insurance Commissioners mid-year meeting in New York.

AT MEETING OF NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS:

Above—Arthur D. Cronin, Kaler, Carney, Liffler & Co., Boston; and C. W. Hobbs, National Council on Compensation Insurance.

Below—J. M. Haines, U. S. manager Phoenix-London group, and A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce."

California Agents Select Sacramento for Convention

Sacramento was chosen as the city for the 1941 convention of the California Association of Insurance Agents, at the first meeting of the board under President Harry Perk, Jr., held in the Oakland headquarters. Dates for the convention will be set later. The meeting covered two days, legislation being discussed.

An open session was held to which heads of the company and fieldmen's organizations were invited, the educational program being discussed. R. E. Bach, San Diego, was appointed chairman of the sales development committee which will work with the companies, and field men's organizations in developing a detailed educational program for local associations. Field men will be used principally as speakers.

The 20-lesson course of instruction is to be handled by the Insurance Institute of California. H. I. Callis, immediate past-president and National councillor, is to be chairman of the Institute educational committee in developing 20-lesson study course for local associations.

The work of the insurance division of the Credit Managers Association of Northern & Central California was discussed with Jay W. Stevens, chief fire prevention bureau National Board, division chairman, and plans made to place this work before the agents. It will be one of the principal subjects discussed

at a series of regional meetings to be held early next year.

The "visitation program" plan inaugurated last year is to be continued under which each member of the board appears before the local associations in his district shortly after each board meeting and discusses the work done.

C. A. Craft, president; Samuel Carpenter, Jr., manager, and H. W. Semmelmeier, manager public relations, Pacific Board; H. P. North, assistant director, Business Development Office; R. E. Fay, manager National Bureau of Casualty & Surety Underwriters, were among the visitors at the meeting.

C. M. Close Is Southern Head

Charles M. Close has been appointed assistant secretary of Great American and has been placed in immediate charge of southern department underwriting. He succeeds W. B. Miller, resigned.

Mr. Close joined Great American in 1922. Two years later he went with the New York Fire Insurance Rating Organization at Syracuse. He returned to Great American in 1928 as special agent. He served in eastern and southern fields and in 1936 was called to the home office as agency superintendent.

Ill. Fire Association Meeting

The semi-annual meeting of the Illinois Fire Underwriters Association will be held on Jan. 8 at the Pere Marquette hotel. The annual meeting next June, it has been decided, will be held at Lake Lawn Hotel, Delavan, Wis.

Lieut. V. L. Boylan, U. S. A., son of W. F. Boylan, manager of the St. Paul F. & M. companies in New York City, will be married to Miss Abigail Roberson, daughter of Col. J. A. Roberson and Mrs. Roberson of Omaha, Dec. 20.

WANTED

A financially strong mutual fire insurance company, which issues a non-assessable policy, is in need of a fieldman acquainted with Minnesota territory. Kindly give complete qualifications and salary desired in first letter. Address full particulars to M-55, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.



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INFORMAL POSES AT INSURANCE COMMISSIONERS MEETING IN NEW YORK:
Above—C. W. Fairchild, general manager Association of Casualty & Surety Executives, and Mrs. Fairchild.

Below—Albert N. Butler, vice-president Corroon & Reynolds companies, and H. M. Morin, Rhode Island insurance commissioner.

H. R. French Must Plead to Embezzlement Charge

SEATTLE—Hallett R. French, former general agent in Washington, Oregon and Montana for Merchants Fire of New York, was arraigned in Superior Court here on charges of grand larceny of insurance premiums on the Tacoma Narrows Bridge. Judge Douglas ruled French must plead to the charge Dec. 13.

French was arrested Dec. 3 following his asserted admission he withheld premiums on two policies he had written for his company on the bridge which collapsed in a high wind Nov. 7. The policies were for \$800,000. The specific charge against French is that he stole \$1,217.88, the premium on the smaller of two policies.

The prosecuting attorney's office in Seattle said French retained nearly \$8,000 in premiums on the policies, and added his embezzlements of other funds may aggregate \$70,000. French denied they will reach any such amount. Merchants Fire did not learn it held insurance on the span until after its collapse. The company also holds another \$10,000 policy on the bridge by way of another company.

French made no comment when he stood before the court for arraignment. He is at liberty on bond.

Vice-President George F. Warch of Merchants Fire is in the northwest and together with Fred G. Clarke, attorney, has uncovered what is alleged to be a fantastic series of fraudulent manipulations. French is said to have signed a written confession.

It is reported that French first issued a \$650,000 policy on the bridge and submitted a daily to the Pacific Coast department on a \$650 dwelling policy. Later, it is alleged, he issued a \$150,000 endorsement to the original policy and made no report to the company, bringing the total line on the bridge to \$800,000. The coverage was for five years

at a rate of \$1.02. Shortly after the bridge collapsed, H. F. Rohrbach, Pacific Coast manager for Merchants, received a telephone inquiry from one of the offices regarding a report that French had written an \$800,000 policy on the bridge. Rohrbach said he had no knowledge of any such policy existing. He then wired French but received no response. A few days later French confessed that he had issued the policy and endorsement and had failed to make any report.

French was specifically charged with embezzling the premium on the \$150,000 endorsement which brought the Merchants line to \$800,000. The transaction afforded the company no opportunity to negotiate specific reinsurance, but officials stated that a catastrophe cover will reduce the final loss to 50 per cent.

Engineers Investigating Loss

At present engineers are busy with investigations to determine whether the two main suspension cables and the towers can be used to rebuild the bridge. If they can be used the loss will probably run between 30 and 40 percent to insurance, the total cover being \$5,200,000, in addition to the U. & O. policies of \$240,000.

It has been estimated that French misappropriated approximately \$70,000 in premiums over a period which may extend back as far as 10 years. In addition, there is approximately another \$30,000 in return premiums on policies which the company is canceling following investigations. There are numerous instances, it is reported, of illegally negotiated insurance contracts. In one case, French issued a three-year policy on a Seattle clinic and then endorsed the policy extending the term to five years without charging additional premium. Numerous instances have been uncovered wherein French wrote various types of unusual risks of a Lloyds character, and he is said to have admitted that he never paid a loss under the

policies which had not been reported to the Merchants.

NEWSPAPER OBSERVATIONS

PORTLAND, ORE.—An interesting editorial on the H. R. French episode appeared in the Portland "Oregonian".

"Insurance on the Narrows bridge was no doubt looked upon by the companies that shared it and by the insured as supercaution," it reads. "At least the general agent who sold a policy for \$800,000 on the bridge and pocketed the entire premium so viewed it. Collapse of a completed suspension bridge, built under modern methods of engineering and construction was unheard of. The mathematical chance that the insurer would ever be called upon to pay a loss was extremely small. Hallett French took that chance. It appeared to be a safe gamble and no doubt his other thefts of premiums were of a selected type.

"The crime with which he is charged is not unknown in fire, liability and casualty insurance, but the life insurance practice of home office scrutiny of applications and issuance by it of policies bars it in that field. And in the branches where embezzlement of premiums is possible, the victim of the fraud is the insurance company and not the insured.

"Insurance is so competently organized

and so thoroughly regulated that it is not needful, when buying insurance, to observe the precautions that are called for in some other business transactions. One can order some kinds of insurance by telephone, and one pays premiums to agents of scant acquaintance without a qualm of apprehension.

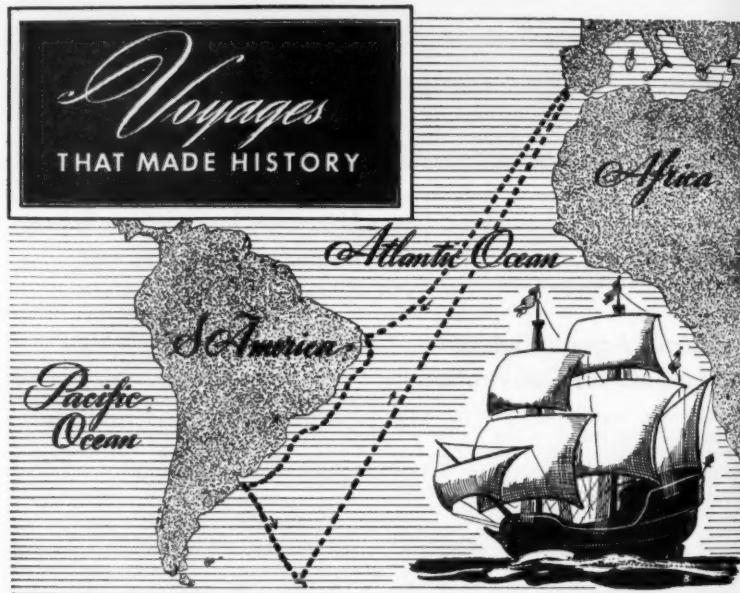
"The ready acceptance of liability by the company that was not aware that a policy in its name had been issued on the Narrows bridge offers an illustration of the protection that surrounds the insured, though selling agents may be dishonest."

Hartford Fire Bonus Correction

In the Dec. 5 issue it was stated that the directors of Hartford Fire voted a bonus to each of the 4,200 full time employees of an amount equivalent to one month's salary. This is a misstatement, and the article should have read, one-half of one month's salary. The practice of paying two weeks' salary as a bonus was adopted by the company some years ago.

Glendening Has New Title

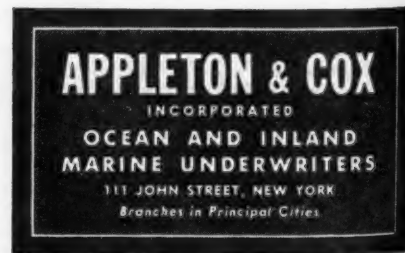
John Glendening, manager for Home in Philadelphia, who has had the title of vice-president and secretary of Franklin Fire, has now been elected vice-president and secretary of Home.



Entering the service of the King of Portugal to take part in an expedition to the "land of Parrots," as Brazil was then called, Americus Vesputius set sail in May, 1501, and sighted the Brazilian coast 3 months later. By January, 1502, he had reached a bay which he named Rio de Janeiro. Still sailing southward, a frightful storm drove him to the desolate shores of the Island of South Georgia, several hundred miles east of Cape Horn, and farther south than any man had been before. Because Vesputius was a talented writer, and told of his adventures more fully than other explorers of his time, the new continent was named America in his honor.

making marked progress in their constant search for new lands and new trade routes. Today, the field of insurance progresses—as men seek new forms of coverage and ever-changing improvements in present forms of protection.

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IN those early days over four centuries ago, pioneers were

Chicago Board Names R. A. Parker

Much satisfaction is being expressed in Chicago in the appointment of Robert A. Parker as acting manager of the Chicago Board. He has been the assistant manager and was generally regarded in



ROBERT A. PARKER

the business as the logical man to take the place left vacant by the death of Jay S. Glidden.

President R. M. Cunningham of the Chicago Board appointed a special committee consisting of three company men and three agents, headed by George Bowman of Napier & Co., to recommend a successor. That committee recommended Mr. Parker's appointment and the directors unanimously voted their approval. He is designated as acting manager, inasmuch as the election of the manager is the prerogative of the membership. Undoubtedly he will be proposed for election as manager very shortly, perhaps at the annual meeting in January.

Mr. Parker attended the school of commerce at Northwestern University and then went with the Western Actuarial Bureau in Chicago. After some experience there he went with the Chicago Board 17½ years ago and advanced through various positions until he was made assistant manager about five years ago. He is a brother of George H. Parker, manager of the Kentucky Actuarial Bureau.

Mr. Parker is thoroughly familiar with all phases of work of the Chicago Board. He is skilled in rating procedures and he also has a broad outlook on the business.

National Defense Program and Sabotage Viewed

(CONTINUED FROM PAGE 5)

sented by the FBI on improvements in narrowing the risks.

There has been a decided increase in sabotage and espionage investigations. Although there was a decrease from 26,000 industrial plant fires in 1938 to 23,000 in 1939, there were 10,500 fires caused by explosion in 1939 compared to 8,000 in 1938. Although all these explosion fires are eyed with suspicion the increased use of improvised machinery and unskilled labor to meet production pressure, has resulted in some carelessness and negligence, thus accounting for some of the explosion increase.

No Widespread Sabotage

So far there has not been any widespread sabotage movement detected, although there have been some individual cases, Mr. Devereaux said.

The FBI is definitely interested in any

situation which may have the aspects of sabotage. The sabotage problem is complicated because care must be taken to keep people from getting hysterical, but at the same time they must be stimulated to report suspicious activities. Mr. Devereaux asked state fire marshals to inform the FBI of all suspicious fires of incendiary origin. He pledged 100 percent cooperation with local authorities on national defense. In case of arson investigations the federal agency does not ask the state agency to forego its part of the investigation.

A. B. Bielaski, head of the National Board's arson division, said he anticipates that cleverer methods will be attempted now by saboteurs than were used 25 years ago. He said the FBI should be complimented for the fact that there has been little sabotage to date. Sabotage is just as likely to come from the hands of half witted labor enthusiasts as from outside the plant, he warned.

A proposal to exempt paper cap pistols from the model fireworks act was rejected by the fire marshals section.

Two Companies Pay Extra

In addition to the regular quarterly of 25 cents per share, Great American has declared an extra of 20 cents, both payable Jan. 15 to stock of record Dec. 20. Identical payments were made last January.

The North America has increased its semi-annual dividend from \$1 to \$1.25, and has declared an extra of 50 cents, both payable Jan. 15 to stock of record Dec. 31.

Never become discouraged; and by hard work you will not become discouraged, because everything comes to him who works. It took Noah Webster thirty-six years to write one book. Ambition and energy are bred from being

Seek to Bring Agents Under Wages-Hour Act

Efforts to enforce provisions of the wage and hour act upon insurance agencies are indicated by the fact that a number of Chicago agencies have been sent questionnaires by the Chicago regional office of the wage and hour administration and several have been visited by inspectors. There has been no ruling from Washington definitely placing insurance offices under the provisions.

Questionnaires have been sent to insurance offices in other cities, including San Francisco and Kansas City. A good many offices have voluntarily complied with the regulations, with reservation that such compliance is not to be taken as admission that insurance is interstate commerce.

The position taken by the Chicago regional wage and hour office under Thomas O'Malley, director, is that insurance is commerce for the purpose of administering the wage and hour act, and Paul vs. Virginia does not apply.

The theory is advanced that employees in insurance offices who are engaged in the preparation of policies, applications or other instruments for transmission across state lines, or in the regular and continuous use of the mails for this purpose, fall under the act.

Most Chicago agencies voluntarily have working conditions meeting the wage and hour requirements.

Agencies would be required to maintain a true, accurate record of the employees' working time, presenting 16 items detailing the wages and hours, if they were compelled to comply.

active, and idleness and laziness are bred from being inactive.

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EDITORIAL COMMENT

Coordinating the Commissioners

AT THE mid-year meeting of the National Association of Insurance Commissioners, Commissioner Gontum of Maryland, who is one of the far-seeing, high minded officials, called attention to the fact that there should be more coordination in the organization. The commissioners meet twice a year and have in the interim various and sundry correspondence, some conferences and some conversations among them. However, there is no official central office that keeps the commissioners in touch with each other and which becomes a clearing house for research and the collection of material that all commissioners desire.

Commissioner Gontum said that the time had arrived, in his opinion, when there should be a central office for this purpose. There are diverse laws and rulings among the states. A commissioner may desire to know what some of the states have done under like conditions confronting him. If he could get in touch with a central office, he could gain much in time.

When Ernest Palmer, former insurance director of Illinois, was president of the commissioners' association he recommended that the office of an executive secretary be established so that this official could do the very work that Commissioner Gontum suggested. His recommendation was defeated because the commissioners felt that it would be too expensive, as many officials would not be able to get an appropriation for any additional money. Commissioner Gontum's recommendation does not call for as large an appropriation as that proposed by Mr. Palmer.

One is very much impressed with the fact that the commissioners' organization is rather disjointed and when the time of the meetings arrives, there has not been the preparation that should have been made. The commissioners have accomplished much through their committee system. There should be in our opinion far greater coordination. A central office not only would be a research department and one which would collect just that material the commissioners desire, but it in turn would be a hub around which the organization could rotate probably more effectively.

The secretary of the National Association of Insurance Commissioners is a commissioner himself and is paid a salary. He attends to the necessary details of the organization. He is chairman of the examinations committee. But he is also very much engrossed in his own departmental activities. The organization has no one devoting all his time to its work. The problem before the organization would be the financing of such an office.

Commissioner Blackall of Connecticut, who is now the president, will communicate with all the commissioners, ascertain their views as to the desirability of a central office, and will digest the returns, bringing the subject before the executive committee before the next annual meeting at Detroit when some recommendation will be made.

Certainly much time and effort could be saved and more efficiency could be gotten if there were a greater coordination effected in the work of the commissioners.

Insuring the Man Himself

SOMETIMES we allow our concept of insurance to be twisted and we regard a policy as sticking very closely to property rather than to an individual or a corporation represented by individuals in its management. Benjamin Rush, chairman of the North America, in a very thought provoking address before the insurance section of the American Bar Association discussed this very feature. He declared that most legislators have it firmly fixed in their minds that property is insured rather than the man.

"Consequently," said Mr. Rush, "the moral and mental makeup of that man, whether he is able, honest, industrious and successful or the reverse are most important factors in rate making but in some states we are not allowed to con-

sider this with the result that the able man has to pay a larger premium for the loss of the poor risk instead of making the poor risk pay the higher rate which his laxity has necessitated."

We often see in some forms of property insurance that a company is willing to accept what on the face of it might appear to be a hazardous risk because the man behind the property is regarded as high grade in every way with moral hazard entirely lacking. Moral hazard, in the minds of some underwriters, is far greater factor in underwriting than physical hazard. A company is willing to go a long way with an honest, forthright owner. It is willing to give him the benefit of any doubt. When it realizes that such a man intends to do the

fair and square thing all the time, is not anxious to profit at all by his insurance and is horrified at any loss, the company has a first grade proposition.

Moral hazard is a powerful feature and it may reveal itself not only in dishonesty but carelessness, negligence and a lackadaisical attitude toward his own property.

Local agents are relied on very much to do what might be called moral hazard underwriting. They live in the community where property is located. They are well acquainted with the reputation of the owner or owners. Therefore they certainly should be able to decide whether any risk is desirable from this particular standpoint.

PERSONAL SIDE OF THE BUSINESS

When J. M. Hannaford, Jr., of St. Paul accepted appointment as chairman of the program committee of the National Association of Insurance Agents it merely meant another extra-curricular activity. In addition to running the Hannaford-O'Brien agency, Mr. Hannaford is just now serving as member executive committee, Minnesota Association of Insurance Agents, chairman executive committee St. Paul Insurance Exchange, secretary board of trustees, St. Paul Academy, chairman northwest scholarship committee Yale University, member budget committee Community church, chairman house committee White Bear Yacht Club, chairman management committee St. Paul clothing center, and member air commerce committee, St. Paul association of commerce.

Ted T. Harper, special agent for Great American with headquarters in Denver, recently became the father of a baby boy, named Richard Malone.

R. Foster Piper, supreme court justice-elect and former chairman of the New York state joint legislative committee on insurance, was guest of honor at a dinner in Buffalo given by state legislators with whom Justice Piper has served during his 11 years in the assembly.

J. J. Seibels, of Seibels, Bruce & Co., Columbia, S. C., general agents, entertained 70 of his office employees at the Miami-South Carolina game at Miami, Fla. Besides seeing the football game, the party was entertained by the agency's Miami representative, R. E. Rutledge, Coral Gables, and also was taken on a sightseeing trip around the city.

George E. Edmondson, general agent at Tampa, Fla., and head of the Florida Blue Goose, is football bug No. 1 of Florida. He saw the Texas Aggies Nov. 28, California and Stanford Nov. 29 and slept on an airliner Saturday night to reach home Sunday night, Nov. 30. Mr. Edmondson has seen 500 games with never a one on a free ticket. He is a director of the Orange Bowl committee. On a recent trip to Minneapolis he caused a near riot by ordering orange juice instead of stronger refreshments in one of the prominent clubs.

R. E. Truman, special agent at Kansas City for the arson division of the National Board, has been called to active service Dec. 23. He is major-general commanding the 35th division National Guard, and he will be located at Fort Robinson in Little Rock. He has been with the National Board 12 years.

Arthur M. Raymond, who resigned a year or so ago as Chicago and Cook county manager of Travelers Fire and is now on the retired list, is spending a few months at Homestead Hall, Green-

wich, Conn., accompanied by Mrs. Raymond. As an indication of his fidelity to Travelers Fire, on the Raymond personal stationery appear "Arthur M. Raymond and Helen Thain Raymond—Travelers." The Raymonds spent the summer in Leland and Traverse City, Mich. Mr. Raymond has paid a few visits to the Travelers head office. They will stay in Greenwich until after the Christmas holidays in order to be in close touch with their son Thain who is connected with the Ivey Lee Association. On Jan. 1 they will leave on the Clyde Mallory line for Houston, spending a month there before going to Florida.

President Walter B. Cruttenden of Springfield F. & M. visited the western department of his company in Chicago this week. It was his first visit there since his election as president last July.

DEATHS

Frank E. Holmes, 66, general adjuster of the Fire Companies Adjustment Bureau in Dallas, died from a heart attack while adjusting a fire loss in Hamilton, Tex. A native Texan, Mr. Holmes had been in the insurance business since 1911, starting with Trezevant & Cochran.

In 1920 he joined T. C. McCurdy, J. B. Hines and the late E. C. Cooper in forming the Southern Adjustment Co. When the latter organization was absorbed by the F. C. A. B. in 1931, Mr. Holmes became identified with the latter organization. In the course of his career he handled many important losses in this country and in Mexico, Cuba and Central and South American countries.

Edward Sharp, 90, agent and broker in Boston and Brookline, Mass., for more than 70 years, died at his home in Brookline. He was head of the agency firm of Edward Sharp & Son.

Mrs. Wilbur Gardner, wife of the Kansas state agent of the National of Hartford, died in a Wichita hospital following a prolonged illness. She had two sons, Scott, a local agent at Manhattan, Kan., and Ted, local agent at Council Grove.

Fred H. Reed, 52, vice-president and treasurer of the Wheeler, Kelly, Hagerty Trust Company and associated with its insurance department since 1921, died in a Wichita hospital from complications following an appendix operation. He was thought to have recovered and had returned home for Thanksgiving but returned to the hospital early last week when complications developed.

He was a past president of the Wichita Association of Insurance Agents and



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. Associate Managers: W. A. Scanlon, G. C. Roeding, O. E. Schwartz.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

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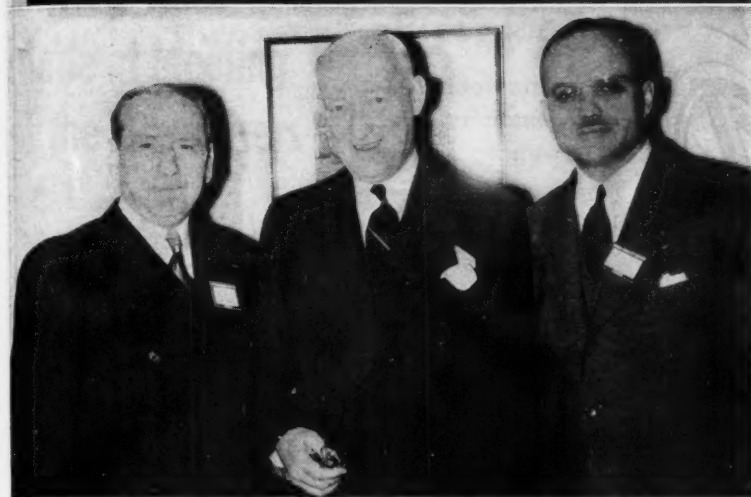
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Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 7, 1879.



GLIMPSES OF THOSE ATTENDING INSURANCE CONFERENCE OF AMERICAN MANAGEMENT ASSOCIATION:

Above—A. L. Carr, vice-president National Surety; Ralph H. Blanchard, Columbia University, and W. A. Osgood, Chicago manager Indemnity of North America.

Below—L. J. Ronder, manager insurance division Continental Illinois National Bank & Trust Company, Chicago; E. M. Allen, executive vice-president National Surety, and J. J. Ferguson, assistant western manager Fireman's Fund.

member of the legislative committee of the Kansas association. He had been Kansas state agent of the Hartford before resigning nearly 20 years ago to join the Wichita agency. A son, Fred, Jr., is associated with Van B. Higbee, Hartford special agent in Wichita, and had spent the past three months in the western department in Chicago.

J. H. Bonney, 73, who retired several months ago as district manager of the Middle Department Rating Association, died in Erie, Pa. He entered the insurance business as a local agent in Union City, Pa., later was district secretary of the Middle Department at Cumberland, Md., special agent of the old Citizens of Charleston, W. Va., and special agent of the North British & Mercantile for western Pennsylvania and West Virginia. When he retired last summer he had been with the Middle Department 15 years.

Glenn C. Hopkins, 63, adjuster for the Fire Companies Adjustment Bureau in Buffalo, died in his home in Kenmore, N. Y., after a long illness.

Henry D. Lewis, who retired about 15 years ago as western manager of Northcote of London, committed suicide at his home in Oak Park, Ill., Wednesday.

T. M. Prall, 73, veteran local agent, died at Sioux City, Ia., after a short illness. He entered the insurance business in 1914 at DeWitt, Ia.

O. W. Crockett, 66, of Rothwell-Crockett Company, Seattle, died at his home there.

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Veteran Local Agent in Nashville Is Dead

Lee J. Loventhal, one of Nashville's best known insurance men, died there after an illness of four months. He was senior member of the Loventhal Bros. agency and had represented the Northwestern Mutual Life since 1895. He was a trustee of Vanderbilt University and Fisk University, chairman of the board of Watkins Institute, president of Vine Street Temple, Nashville park commissioner, and active in other civic work.



L. J. Loventhal

Official Praises Insurers on Turkey Loss Payments

LINCOLN, NEB.—Reports to the insurance department show that companies are paying off the large losses resulting from the death of hundreds of thousands of turkeys in the state, and that while there was some quibbling, the companies undoubtedly saved the situation for growers and hatcheries. Most of the policies covered freezing when accompanied by a windstorm.

"Naturally a question could have been raised," said John S. Logan, attorney for the department, "as to whether the loss arose from any of the hazards insured against. No doubt there was a windstorm and the windstorm, in many cases, drove the birds into the rain and sleet. They became soaked and then froze, a

crushing loss to raisers and those who had furnished poulters and feed."

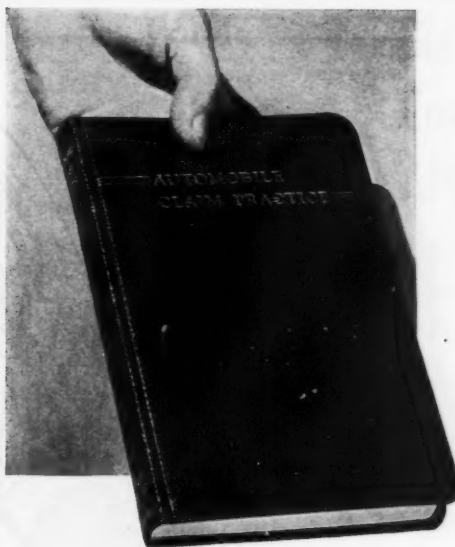
"To date I have been looking in vain for either the companies or the agents to do a little advertising and cash in on their 'Boy Scout good deed' adjusting. I must commend their modesty, and I also advise growers next year to buy their poultry insurance with more care, in view of the experience of this year."

John T. Harding, Illinois state agent of Millers National and Illinois Fire, is confined to the Geneva Hospital at Geneva, Ill., suffering from a severe infection. The latest reports are more en-

couraging. He is one of the most popular men in the Illinois field.

F. A. Hubbard, president Hanover Fire, will leave for Fort Myers, Fla., within a few days intending to spend the Christmas holidays there. He was a resident of Fort Myers some years ago, and still has considerable property there.

"Bosses Day" of the Insurance Women's Club of Oklahoma City was marked by an attendance of about 100 guests and members. Mrs. Clark C. Simpson, president, was toastmistress.



NEW

A Manual of Instruction for Automobile Claim Adjusters and Complete Reference to Automobile Loss and Liability Claim Procedure.

AUTOMOBILE CLAIM PRACTICE

CONTENTS

I—INVESTIGATION OF CLAIMS—Primary considerations—Objectives—Investigation with respect to insured, insured automobile—Taking statements—Statements of insured, claimant, occupants of insured and claimant's automobiles, Witnesses—Locating witnesses—Automobile and other property damage estimates—Police, Medical, Hospital Reports—Diagrams, photos—Court reporters.
II—NEGOTIATION AND SETTLEMENT OF CLAIMS—Liability—Time element—Procedure—Damages—Attorney's part—Suit and trial—Releases—Settlement drafts—Procedure under safe driver award, preferred risk and merit rating plans.
III—BODILY INJURY CLAIMS—Investigation and handling—Bodily injury to occupants of insured's car (guest claims), to occupants of other automobile, to adult pedestrians, to minor pedestrians—Fatal injuries.
IV—PROPERTY DAMAGE CLAIMS—Investigation and handling—Automobile and other property damage.
V—FIRE COMPANY (FIRST PARTY) CLAIMS—Primary considerations—Subrogation and contribution—Protection of S. and C. rights—Collection of insured's damages—Handling losses: glass, collision, total collision, fire, fire and collision, theft, windstorm and other types of first party losses—Comprehensive coverage, service expense.
VI—WAIVER AND ESTOPPEL—Fieldman's duty—Supervisor's duty—Company's obligation—Disclaimer of liability—Non-waiver agreements—Reservation of rights notices—Considerations affecting decisions as to procedure—Effect of Estoppel by verdict on liability claims.
VII—RELATIONS BETWEEN ADJUSTER-ATTORNEY AND COMPANY—General—Reporting to branch, district or home office—Authorization and settlement—Releases and drafts—The home office—Handling litigation—Claim man builds sales.

by VICTOR C. GORTON

VICTOR C. GORTON has had many years of experience in handling automobile claims, first as an attorney in Indiana, and since 1933 in charge of the Legal and Claim departments of the Allstate Insurance Company, of which he is now Vice President and General Counsel.

For many of these years Mr. Gorton has made notes, from cases passing over his desk, of the important points which must be watched in the work of adjusting automobile claims.

AUTOMOBILE CLAIM PRACTICE is a compilation of these notes taken from actual experience—a manual of procedure for the automobile claim adjuster. It covers only the investigation and settlement of claims, making no attempt to cover the law or to interpret policy conditions. Step by step it tells exactly what to do and how to do it—and sometimes even more important, what not to do—from the time the adjuster gets the claim until the case is closed.

The first chapters cover the general principles and points to be watched in the investigation, negotiation and settlement of claims. Then the book goes into the specific points involved in the handling of the various kinds of claims: bodily injury, property damage and first party claims. Waiver and estoppel are given special treatment; also relations between adjuster, attorney and company.

Everything possible has been done to make AUTOMOBILE CLAIM PRACTICE useful. It is printed in big readable type and thoroughly cross-indexed by subjects for quickest reference. The flexible artificial leather binding will stand up under hard use. 248 pages. Price, \$3.50.

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The NATIONAL UNDERWRITER

December 12, 1940

CASUALTY AND SURETY SECTION

Page Nineteen

Stirring Talks Made at Meeting of the Advertisers

**Commissioner Gontrum,
Paul Cornell and C. T.
Hubbard Give Addresses**

NEW YORK—"The business of insurance is one that touches every phase of human endeavor and in the United States the insurance industry is so intimately bound up with the political, social and economic structure of our nation that it is impossible to consider it without also giving thought to the general welfare of our country. In other words, the problems of America and the problems of insurance are almost identical" stated Commissioner John B. Gontrum of Maryland in an address before the Insurance Advertising Conference.

He spoke on the conditions facing this country in 1941. He said that all must turn their thought more constantly to their own difficulties and consider the welfare, security and development of this nation to a greater extent in the future than they have in the past.

Points on the Best Citizens

"We Americans cannot solve the problems of the world, but we can and must solve the problems of America. We can not make Europe and Asia democratic, but we can preserve democracy in our own land.

"I have always found that the best citizen is the man who attends to his own business, providently manages his own affairs and adequately provides for his own family. The same principle applies to nations. By serving ourselves best, we can set an example that will be an inspiration and guide to the rest of the world."

Commissioner Gontrum said it is impossible to discuss the conditions facing insurance in 1941 without taking into consideration the conditions that will confront all American business.

"We cannot consider the part without taking thought on the whole, and any tendency that is inimical to American business or to public interest is also a threat to insurance."

He said that a great percentage of the insurance companies are well managed and solvent and that the insurance buying public has no cause for alarm.

Preserving Public Sanity

Referring to the war, he said that all must see to it that America is so strong in a military, industrial and economic sense that no nation would even contemplate attacking it. He stated that the entry of America into the war would inevitably result in the breakdown of its democratic form of government, bankrupt the nation and encompass the destruction of that most substantial of

(CONTINUED ON PAGE 22)

Get Out Vandalism Rider for Boiler

**Endorsement Covers
Malicious Mischief and
Sabotage as Well**

NEW YORK—To cover malicious mischief, vandalism and sabotage, which are not risks assumed in the companies' standard boiler and machinery policy, the National Bureau of Casualty & Surety Underwriters has issued a copyrighted endorsement to be added when desired, at an additional premium. The new endorsement may be used at once anywhere in the United States or Canada except Louisiana, New York, Oregon and Washington, where the official effective date, Dec. 24, must be adhered to.

Rates are computed on a three-year term basis. For coverage against direct damage (including expediting coverage if any) the endorsement will be charged for at the rate of 2 percent of the total premium excluding any basic charge on a boiler policy which would otherwise be prescribed by the manual for all objects and all coverages included in the policy (using the rules and rates in force on the effective date of such policy) even though the coverage of malicious mischief applies only in part; except that where one or more locations of the policy are not covered for malicious mischief the premium for each such location may be omitted. The three-year additional premium must be at least \$50 for each location.

Machinery Minimum \$100

In the case of machinery the additional premium would be 5 percent, the minimum additional premium being \$100. For terms other than three years the minimum additional premium is to be determined from the regular term tables in the manual. Where malicious mischief coverage is added to an existing policy during its term the additional premium required is to be determined on a prorata basis for the unexpired term and the minimum premium for each location for such term is to be similarly determined. If the coverage is eliminated from the policy the return premium will be determined by the use of the rules for decreasing coverage, as found in the manual.

Coverage for indirect damage (U. & O., consequential damage or outage) is 10 percent for boiler, with a \$50 three-year minimum premium and 25 percent for machinery with a \$100 minimum three-year premium. This coverage is not available for power interruption insurance.

Wording of Endorsement

The copyrighted endorsement reads: "In consideration of \$..... premium it is agreed that acts of malicious mischief shall be considered as 'accidental' within the meaning of that word as used in the definitions of accidents in the schedules forming part of this policy."

"It is further agreed that the company shall not be liable for any loss from an accident resulting from war, invasion, civil war, insurrection, rebel-

Buyers Ponder Surety Topics

**Discuss Prosecution of De-
faulters, Pilferage Losses,
Restoration Endorsement**

About 35 attended the dinner session devoted to discussion of bonding matters during the meeting of the insurance section of the American Management Association in Chicago. L. J. Ronder, manager of the insurance division of the Continental Illinois National Bank & Trust Company of Chicago and E. M. Allen, executive vice-president of National Surety, were in charge. The questions that had been submitted in advance were read and members of the group volunteered to reply.

One question asked why surety companies are opposed to writing a form similar to blanket bond 8 revised for insurance companies and other financial institutions.

In theory, one of the surety men present explained, there is no reason why such a form should not be written. There is no legal obstacle but the problem of rating is difficult. Insurance companies would not need all of the coverage that is provided in No. 8 revised. Some consideration was given a year or two ago to bringing out a form for insurance companies, but that idea has been abandoned, at least for the present.

May Now Be Demand

One of the members of the group said that there has been little demand from insurance companies for such coverage. Another suggested that such a demand may now arise, due to the scandal that was revealed in Seattle, following the collapse of the Tacoma Narrows bridge.

The question was asked as to the evidence that is required to get recovery in connection with stock shortages. One of the surety men answered that there must be proof of stealing. The mere fact that a check of the inventory discloses a shortage is not sufficient. If some of the stock is found in a pawn shop, that would be evidence of dishonesty sufficient to permit recovery.

The surety people pointed out that one very important effect of the blanket bond is to discourage pilfering. Signs should be posted in factories that employees are bonded and warning that the surety will prosecute. Part of the duty of the surety company is to make clear to employees that pilfering is dishonest, that tools and stock belong to the employer and not to the employee. Many employees come to feel that taking home a few articles from time to time is not really dishonest.

Restoration Endorsement

A question was asked as to the effect of the automatic retroactive restoration endorsement. The inquirer wanted to know whether that feature was applicable.

(CONTINUED ON PAGE 22)

lion, revolution or other warlike operations (whether war be declared or not) or from civil strife arising therefrom."

The endorsement covers acts of vandalism as well and sabotage as well as malicious mischief.

Boiler U. & O. Is Cover of the Hour, AMA Men Told

**Delay in Getting Equip-
ment Today Makes
Protection Vital**

Whoever might look upon boiler use and occupancy as an obscure section of the manual and a somewhat academic subject would have gotten an entirely different notion had he attended the session of the insurance section of the American Management Association in Chicago at which Vice-president James H. Coburn of Travelers Indemnity expounded the topic and answered questions. This proved to be one of the most informative and timely parts of the entire meeting. It was the feature of the final luncheon gathering and it was noticeable that those who had gone to the luncheon prepared to eat and run, decided to remain for the afternoon, after the subject was opened and they realized its importance.

Mr. Coburn brought home the fact that the demand for business interruption insurance and for higher limits is increasing. The buyers of insurance are faced with a new responsibility in connection with the national defense program, to assure more adequate protection. New plants are being built. Plants or departments long idle are being pressed into service. Plants are being enlarged and equipment placed in operation. This means more boilers, more machines, more accidents and greater need for U. & O. Contracts are being let, production has increased, profits are growing and higher limits are necessary. Repairs are increasingly hard to get, deliveries are slowing up and, consequently, loss payments must be continued for a greater number of days. This trend, Mr. Coburn stated, has been unusually pronounced of late.

Those in the audience were impressed with the correctness of Mr. Coburn's estimate of the situation and were heard in informal discussions to be giving corroborative evidence of the difficulty in getting repair parts and replacements.

Cites Recent Examples

Mr. Coburn recited some recent examples to show how the demand for U. & O. is increasing. For instance, a concern manufacturing cranes, hoists, electric shovels and steam shovels which had not carried any U. & O., endorsed its existing direct damage boiler policy so as to afford U. & O. coverage with a daily indemnity of \$6,000 and a limit of loss \$600,000.

A steel plant increased its boiler U. & O. from \$2,500 to \$4,200.

A concern manufacturing heavy materials increased the existing daily indemnities at all of its plants, at one place from \$6,500 to \$12,000; at another

(CONTINUED ON PAGE 22)

H. & A. Conference Annual in Chicago; Bureau Entertains

The annual meeting of the Health & Accident Underwriters Conference will be held in Chicago next June, it was decided by the executive committee at a meeting in New York last week following the meeting of the National Association of Insurance Commissioners. The exact date will be selected by Harold R. Gordon, executive secretary. The second week in June, which has now been chosen for the commissioners' meeting, had been tentatively selected as the time of the conference meeting, which probably will be held either just before or just after the commissioners' session. The United of Lincoln, Neb., was admitted to membership in the conference.

The public relations committee of the conference, headed by C. W. Young, Monarch Life, also held a meeting in New York.

G. A. L'Estrange, Wisconsin National Life, chairman of the program committee of the conference, already has started work on the preparation of the program for the annual meeting.

Bureau Holds Quarterly Meeting

The Bureau of Personal Accident & Health Underwriters also held its quarterly meeting at the same time and place. Discussions centered about general conditions in the business and the outlook for the new year. It was indicated that the member companies will report a substantial increase in premium income for 1940, with a satisfactory loss ratio. There was no suggestion of issuing any special forms of contract in connection with the mobilization program, but there was some speculation as to what the death and accident frequency might prove to be if this country should become engaged in hostilities.

Chairman Thomas Hook named W. F. White, Royal Indemnity, and Logan Bidle, Aetna Life, as a committee to formulate a program and select the place and date for the annual meeting next May.

Discussion of a place was mainly on the point of distance from New York City. Until the 1939 meeting at the Westchester Country Club, all meetings were held in New York City. Last May the meeting was held outside the metropolitan territory for the first time, at Atlantic City. This proved very popular and it is possible that next year's meeting may be held there. More distant places were ruled out, the feeling being that the convention should be held at a location not more than two or three hours train ride from New York City.

There were progress reports from the manual committee and the statistical committee. The underwriting committee reported that matters are proceeding very smoothly except for California where efforts are still pending to get an agreement with the insurance department on the size of type and arrangement of policy forms.

Cooperation at New High Level

Cooperation and amity between the two leading accident and health company organizations reached a new high level at the dinner given by the governing committee of the bureau in honor of the officers and executive committee of the conference. While many members of each association had been well acquainted with members in the other, the dinner brought together quite a few men who had never met. There has always been a friendly and cooperative spirit between the two organizations but this was the first time they had ever got together.

Representing the conference were: President Paul Clement, Minnesota Commercial Men's Association; O. F. Davis, Illinois Bankers Life; J. M. Powell, Loyal Protective Life; S. C. Carroll, Mutual Benefit Health & Accident;



GLIMPSES AT MEETING OF NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS: Above—Ray Murphy, assistant general manager Association of Casualty & Surety Executives, and Mrs. Murphy.

Below—Ernest Palmer, former Illinois insurance director; R. Leighton Foster, Toronto, general counsel Canadian Life Officers Association, and James A. Farley.

C. W. Young, Monarch Life; W. G. Alpaugh, Inter-Ocean Casualty; L. D. Cavanaugh, Federal Life; J. E. Powell, Provident Life & Accident; A. D. Johnson, United, Chicago; G. F. Manzelmann, North America Accident; D. St. C. Moorehead and E. G. Trimble, Jr., Employers Reinsurance; C. O. Pauley, Great Northern Life; G. R. Kendall, Washington National, and H. R. Gordon, executive secretary.

Bureau Men in Attendance

Representatives of the bureau were: Thomas Hook, Standard Accident, who welcomed the guests on behalf of his organization; Logan Bidle, Aetna Life; E. H. O'Connor, Bankers Indemnity; George Goodwin, L. B. Soper and B. M. Anderson, Connecticut General Life; J. N. Whitaker, Employers Liability; W. H. Howland and F. M. Walters, General Accident; R. L. Hills, Great American Indemnity; N. J. Brown and J. H. Garneau, Hartford Accident; W. E. Kipp, Indemnity of North America; F. L. Templeman, Maryland Casualty; Stephen McLaughlin, Massachusetts Bonding; F. G. Burgoyne, New Amsterdam Casualty; J. F. Lydon, Ocean Accident; F. S. Perryman and W. F. White, Royal Indemnity; J. A. Mullen and T. O. Schwarz, Standard Accident; E. S. Fallow and R. A. Payne, Travelers; William Pinder and J. P. Bennett, United States Casualty; Harry Prevost, U. S. F. & G., and R. M. Brann, secretary-treasurer.

Selsor Talks to Credit Men

PITTSBURGH—F. M. Selsor, claims attorney of the Fidelity & Casualty, spoke at the luncheon of the Pittsburgh Credit Men's Association.

Cincinnati Lawyers Reject Compulsory Auto Proposal

CINCINNATI—Directors of the Cincinnati bar association approved a report rejecting a proposed compulsory automobile liability insurance law and recommending that changes be made in the Ohio driver's license law to require financial responsibility in cases where motorists are involved in accidents. The report will be submitted to the membership Dec. 18. G. E. Fee is chairman of the special committee.

Mr. Fee said that the committee suggested a real effort be made to keep irresponsible and incompetent drivers off the streets and if that fails, the adoption of a monopolistic state system such as Ohio has on workmen's compensation, compensating all persons injured in traffic accidents, regardless of fault.

Recommendations of Committee

Specific recommendations of the committee, approved by the directors, are:

"The requirement of future financial responsibility should be imposed on every motorist involved in an accident causing injury or death. It is not wise to delay the imposition of this requirement for months or years until a conviction or final judgment results, and exempt those who are not sued because of their present irresponsibility.

"The future ability to respond in damages should be a permanent requirement for every motorist whose license has been revoked or suspended for any cause, including the failure to satisfy a final judgment.

"Conviction of drunkenness on one or more occasions, regardless of whether such conviction is in connection with the operation of a motor car, should result in the revocation of a driver's license.

Revocation of Licenses

"The permanent revocation of a driver's license should follow repeated and multiple violations of traffic safety laws, and, suspension of the right to drive should follow convictions of violations of stop signs, traffic signals, or rules of the road necessary to safety.

"The suspension of a driver's license upon conviction of reckless driving should be mandatory.

"Instead of annual licenses, with examinations that cannot determine the fitness of the applicant to drive, some permanent or long-term license should be issued after an examination which will reveal the incompetent and unfit driver, and, exclude such drivers from the privilege of operating a motor vehicle."

Slate Final Hearing on N. Y. Compulsory Bill

NEW YORK—Those desiring to be heard on the question of a compulsory automobile liability insurance law for this state will be afforded a final opportunity at a meeting of the joint legislative committee at the department offices here Dec. 17. R. Foster Piper, the chairman, will preside.

It is intended to reintroduce the compulsory bill when the legislature again meets next January, and it will have the support of the insurance department and the department of motor vehicles.

Cancel Parking Meter Insurance

RICHMOND, VA.—The city has decided to cancel its insurance on parking meters, which it has been carrying through the Davenport Insurance Corporation in the Globe Indemnity. There were 235 of these meters insured. Altogether there are 457. The remainder were insured for the first year by the company installing them, the understanding being that the city would provide insurance after the first year. The city plans to carry the insurance itself.

Honor O'Neill on 25th Royal Year

NEW YORK—In recognition of the 25th anniversary of President F. J. O'Neill's connection with Royal Indemnity his fellow officers and other friends gave an informal cocktail party in his honor at the headquarters of the company Wednesday evening. As toastmaster Harold Warner, United States manager of Royal-Liverpool, paid warm tribute to the service rendered by Mr. O'Neill to his company and the casualty industry. Others spoke in similar vein.

Mr. O'Neill has had a colorful career. For 21 years following graduation from Williams college he figured prominently in football activity. He coached several large eastern teams, including Williams, Colgate, Syracuse and Columbia.

In 1915, after a successful period with the Syracuse law firm of White, Cheney, Shinaman & O'Neill, he became general counsel for Royal Indemnity. He advanced steadily with the company, in five years a vice-president, in 12 years the president. Mr. O'Neill has exhibited remarkable talent for guiding men and affairs. He is regarded as a fearless, unprejudiced and brilliant casualty executive.

Aetna Casualty Club Elects

Robert Ayres, office broker in the Aetna Casualty branch in Chicago, was elected president of the Aetna Casualty Club of that office at the annual party this week. He succeeds Harold Berg, broker. Mr. Ayres was vice-president. M. J. Cunningham, broker, is secretary, and F. H. Doyle, superintendent of accounts, is treasurer.

New Law Big Topic at Ark. Agents Rally

Workmen's Compensation Features Are Elucidated at Mid-year Convention

LITTLE ROCK—Groundwork for harmonious relations between public officials, insurance companies and local agents in the administration of the new workmen's compensation act of Arkansas was laid at the mid-year meeting of the Arkansas Association of Insurance Agents. Because of the newness of the subject and its importance to every agent, this being Arkansas' first experience with compensation, more than 150 attended the meeting which was in charge of President L. H. Derby of Warren. The new Arkansas law became effective Dec. 5.



L. H. Derby

The meeting was featured by the presence of the workmen's compensation commission and the heads of the rating bureau as guests of the association at luncheon, and their active participation in the program during the afternoon.

Members of Group

This group included Chairman D. W. Peel and members S. V. Bracy and W. J. Smith, the latter being the spokesman for the commission at the information please part of the program, and Manager L. F. Keegan and Miss Kay Daniels, first assistant of the compensation rating bureau.

In addition there were numerous talks on other subjects. The compensation officials were on the program through the efforts of Thomas T. Wilson, Little Rock manager for U. S. F. & G., who relinquished much of his own time, but who contributed much to the explanation of the technical phases of compensation. Questions were filed during the morning session and were answered by Mr. Smith in the afternoon.

Of primary importance was his declaration that the commission had decided to be as liberal as possible in construing the effectiveness of the act as to occupations covered so as to extend its benefits to as many employees as possible. "If there is any doubt as to coverage, we will resolve that doubt in favor of the employee so as to put him under the act," he said. "We hope to extend the act wherever possible."

Penalties for Non-Compliance

With reference to penalties for non-compliance by employers, he said that no provision has yet been made for policing the act and that none will be taken for some time to come. "We hope to make this a popular law in Arkansas," he said. "We will start out by administering the law and not by enforcing it." He explained further that penalties for non-compliance are fines up to \$500 and imprisonment up to one year, but pointed out another section as being more persuasive, that which provides that if an eligible employee is injured and his employer has no compensation insurance the liability of the latter is unlimited and his defenses are swept away.

Among the highlights of his answers were the following: The act does not change the question of independent contractors, the degree of control being the guiding factor. Those coming under the act voluntarily can also cancel their waiver and return to their former status. Piece workers most frequently will come under the act. The question of life savings depends on individual circumstances.

Both Mr. Wilson and Mr. Smith dis-

"See People" Called Secret of Accident-Health Selling

CINCINNATI—"See the people" is the secret of success in selling, J. L. Rosenstein, Indianapolis, said in addressing the Cincinnati Accident & Health Association on "Practical Psychology for Accident and Health Insurance Men." Mr. Rosenstein, a psychologist who has been consulted by business organizations in developing employment and training programs, is now with the John McGurk agency of the Mutual Benefit Health & Accident in Indianapolis, helping its salesmen solve their selling problems.

Advocates 44 Hour Week

Mr. Rosenstein said the agent who is not working 44 hours a week should ask himself: "Why should I expect full-time pay for part-time work?" He emphasized the importance of pre-approach, getting the stage set. "If the pre-approach is properly made, the agent makes one-half of his sale before he gets there," he declared. The most important tool in salesmanship, he said, is speech, the ability to use words which will make a picture of something that the prospect may have never seen. Human beings are not creatures of reason, but of emotion. A person can pay attention to no more than one thing at one time. "Nail him first, then let him run," Mr. Rosenstein advised.

Mr. Rosenstein invited Cincinnati agents to the mid-year meeting of the National Accident & Health Association Jan. 28-30 at Indianapolis. He was introduced by C. L. Gurney, Cincinnati manager Mutual Benefit Health & Accident. W. R. Dignan, president, announced that the speaker at the next meeting Jan. 21 will be F. B. Alldredge, superintendent accident and health department Occidental Life.

cussed the problem of rejected risks. It was explained that there had been a gentlemen's agreement between the commission and the companies that the rejected risk pools for stock and mutual companies would not be started unless absolutely necessary and to this end it was agreed that rejected risks would be referred to the rating bureau for assignment to individual companies in accordance with the law.

Identical Rates

It also was asserted that the rating bureau would inspect every policy written which means that all carriers will charge identical rates for similar risks. Mr. Wilson also declared that the insurance department had ruled that mutual companies must charge the manual rates for the first year and allow dividends only after expiration of the policy.

Other speakers included Gordon Rather who read the paper of Robert Maxwell of Texarkana on agency advertising; Albert Alexander of the Bloom general agency on automobile insurance; Howard F. Weber of Fidelity & Casualty on liability insurance; Leonard Steidel, a manufacturer of cooperage, who explained what a buyer of insurance expects from his agent; S. W. Creekmore of Fort Smith, who told how his local exchange had entertained users of mutual insurance at a banquet in order to bring up the topic of profit in business; Miss Helen Dixon of the Martin agency of Pochahontas, who discussed agency accounting systems, and J. Roy Donham, past president, who discussed how company men can best assist the association.

ARK. SELF INSURANCE

Those desiring to self-insure under the new Arkansas compensation act must give a surety bond of at least \$10,000 or collateral of equal value to guarantee payment of claims. Self insurers must pay the 2 percent premium tax on the amount of premiums they would have paid if they had insured.

Twenty-eight corporations have posted

(CONTINUED ON PAGE 23)

Popularity of High-Low Plan Gains

Ratio of Retrospective to Standard Premiums .799, Roeber Reports

NEW YORK—The ratio of retrospective to standard premiums is .799 on 251 compensation risks written under the retrospective rating plan, W. F. Roeber, general manager of the National Council on Compensation Insurance, reported at the annual meeting. The total standard premiums on these risks would have been \$4,702,776, and the total retrospective premium was \$3,756,516.

The loss ratio of these risks on the basis of standard premiums was 42.4 and 53.5 upon a retrospective basis. There were 122 risks that enjoyed the minimum premium, 85 ranged between minimum and standard premiums, 37 between standard and maximum and seven were required to pay the maximum. The risks that developed a premium below the standard number 207 and accounted for 84 percent of the standard premium on all the risks for which adjustments were promulgated.

Number of Risks Increase

There has been a steady increase in the number of risks operating under the retrospective plan. To Oct. 15 of this year 265 retrospective risks having operations in National Council jurisdictions have been filed and approved. This compares with 251 during the entire year of 1939, 132 in 1938, 38 in 1937 and one in 1936.

About 80 percent of the risks previously written under the retrospective plan have renewed their coverage on the same basis.

He referred to the fact that on April 1, there was a reduction in the eligibility requirements so that risks with an annual premium of \$1,000 now may be subject to the plan. A number of risks producing premiums of less than \$5,000 have elected retrospective rating.

The voluntary plans for granting coverage to uninsured risks are fulfilling their purpose and administration continues to be satisfactory. As of Oct. 1, the experience on 870 risks that have been assigned by the National Council, shows earned premiums \$427,869 and actual losses, paid and outstanding, \$257,039, producing a loss ratio of slightly more than 60. Eliminating 10 particularly adverse cases, the total premium has been \$424,202, losses \$192,798, ratio about 45. The loss ratio, he said, is encouraging and may account for the continued tendency of the companies to insure the risks on a direct basis upon expiration.

New Law in Arkansas

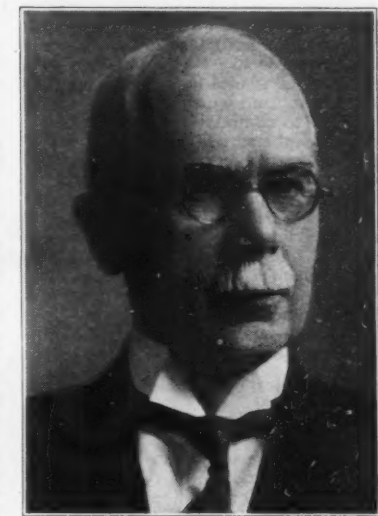
Mr. Roeber remarked that a compensation law became effective Dec. 5 in Arkansas. The Arkansas rates have been related to the rates now in effect in Louisiana. The national retrospective rating plan has been introduced and the standard O. D. schedule rating plan has been approved. He expressed the hope that the Arkansas industrial commission would permit the National Council to set up its standard voluntary plan for assignment of risks.

The new multi-split experience rating plan has been approved for use in Michigan, Minnesota, Missouri, Utah and Wisconsin.

He expressed the belief that the work of the claims executives committee will result in an agreement on hospital rates that will be satisfactory to the companies.

During the year these insurers have joined the National Council: American States, Auto-Owners, Hardware Indemnity, Highway Mutual Casualty (local member for Indiana); Public Service Mutual Casualty, Tennessee Automobile, Trinity Universal, United Pacific and Virginia Auto Mutual. The National Council now embraces 166 carriers of

Completes 50 Years in Service of F. & C.



JAMES R. MILLIKAN

CINCINNATI—James R. Millikan, general agent of Fidelity & Casualty in Cincinnati, is observing his 50th anniversary with the company this year, all of that time, with the exception of three years, having been spent in this city. Mr. Millikan has one of the longest service records in the casualty business, starting in 1888 when he was an agent for Equitable Accident of Cincinnati in Indianapolis, his boyhood home. Mr. Millikan was president of the National Association of Casualty & Surety Agents from 1933 until 1935. He has maintained a close interest in the activities of the association since he was a factor in its organization in 1912 and he has been a member of its executive committee continuously for 20 years.

Mr. Millikan spent his early youth on a farm near Newcastle, Ind. At an early age his family moved to Indianapolis. Early in his business life he became interested in the insurance business through a cousin and went into the agency ranks, in 1888. He became dissatisfied with his company's claim service and decided to look for representation of a more substantial organization.

Fidelity & Casualty is one of the early casualty companies, having been organized in 1876, and one of its circulars came to Mr. Millikan's attention. At that time E. B. Tidd was general agent for the central western states at Cleveland. Mr. Millikan got in touch with him and he was appointed agent at Indianapolis in 1890. About a year later, he was appointed special agent traveling Indiana, Ohio, and West Virginia. In 1893 Mr. Tidd died and Mr. Millikan was appointed agent at Cincinnati. He was named general agent in 1902.

Mr. Millikan is a student of the casualty business and maintains an active interest in its development. Quiet and unassuming, his advice and counsel are often sought, gained from a broad experience of over half a century.

Mr. Millikan was president of the Ohio Insurance Federation 1928-1929.

B. M. Culver, president of Fidelity & Casualty, and the America Fore group, invited Mr. Millikan to spend this week in New York in connection with his golden anniversary, but he was unable to accept because of the illness of an elder brother. Mr. Millikan will be feted in New York the latter part of January.

which 76 are stock, 29 mutual, six state funds, four reciprocals and two Lloyds.

The meeting of the National Council was brief, consisting of Mr. Roeber's report and election of officers and committee members. All committee members whose terms had expired, were re-elected, and the same applied to the board of arbitration.

Stirring Talks Made at Meeting of the Advertisers

(CONTINUED FROM PAGE 19)

American institutions, insurance. "You advertising men can do little about such a possible catastrophe, but in a world gone mad, you can try to preserve public sanity." America is too young to die, he said, "and we should have enough sense not to commit suicide."

One of the conditions facing insurance in 1941 is fear. The speaker likened the functions of insurance with its billions of capital and reserves in the economic life to ballast or stabilizer on an ocean liner. Insurance advertisers might be compared to the members of a crew of such a vessel in a storm, who seek to quiet the fears of passengers and prevent them from either taking to the boats or capsizing the vessel by all rushing to one side.

Presenting the True Picture

"One duty of insurance advertising men in times like these," he stated, "is to present the true picture of insurance to the public and prevent hysteria arising from misinformation or lack of knowledge from sweeping the policyholders. There are some indications of future panic. Let us guard against such war-born tendencies in 1941 by telling the people the truth about insurance. It is better for them to know the real facts, however unpleasant they may become, than to be fed over-optimistic dope that will result in disillusion, resentment and hysteria."

He said it is the duty of insurance executives to keep the companies sound, the ballast in place and the stabilizer in order and upon the advertising men and the men in the field rests to a large extent the responsibility of keeping cool and bringing to the people the calming assurance that although it is midnight and a storm is raging just outside the 12 mile limit, all in America are secure so long as people preserve their sanity and keep their courage high.

Complexity of Tax Schemes

Commissioner Gontrum said that the insurance industry must make an effort to halt the growing tendency toward multiplicity, duplication and complexity of tax schemes. He said that in one state 103 different taxes have been placed on insurance companies.

"One large company informs me," he said, "that it pays 414 different premium taxes and license fees, and in addition, there are 51 separate state premium taxes, eight state income taxes; four state franchise taxes; use tax in four states; state license fees in all states; filing fees in all states except three; occupation tax on adjusters and managers in several states and in all, approximately 600 different payments have to be made in addition to federal income taxes and local license fees for agents."

Federal Supervision Fear

Mr. Gontrum stated that he saw no reason to fear the advent of federal supervision over the insurance business so long as the companies, the state officials and legislators work together for the best interest of insurance and the public is kept advised of the true situation. He said that a correction should be made of the erroneous impression given by the publication of excerpts from certain governmental reports and he pointed out that too often publicity is given to one case of mismanagement or dishonesty while there are hundreds of companies conducted efficiently with the strictest regard for public good.

The second speaker was Paul L. Cornell who is a past chairman of the American Association of Advertising Agencies, past president of Geyer, Cornell & Newell and now headmaster of the Humford School for Boys in Connecticut. He spoke on advertising as a social and economic force. Advertising is based on the principle of human understanding, the greatest force in life

for mutual benefit of man to man, and the principle of production. Any advertisements containing these two ingredients have a timelessness about them, he stated, and exhibited several pieces of copy written a few years ago which are being used today as window displays and have the same appeal they had when first written.

"The use of a great and powerful medium of advertising can do much to bring about a deep, universal popular understanding of what insurance can mean in America's social and economic life. It is important that the great insurance companies should use the most effective means to focus the energy of the people on taking care of their personal economies as they affect their daily lives and their future."

Boundaries of Advertising

"Any advertising campaign undertaken by an insurance company should be considered as far more than just advertising. It should be bounded on four sides, so that it takes into account more than the interest of the company itself—more than the production of immediate returns. It should consider the major objectives of human understanding and the increased economic and social progress of the people of America."

Mr. Cornell declared that the insurance companies must take a dominant position and prove their leadership. He said that people do not understand the insurance business. They do not recognize that every penny of assets, every dime of the great wealth represented is the product of human labor.

"The insurance company is simply an entity created by a group of men to help each other accomplish what each cannot do alone. The assets of the insurance companies represent nothing more nor less than the philosophy that is America."

Program Chairman John Ashmead, Phoenix of Hartford, called on members to discuss points in question with Mr. Cornell. During the course of these informal talks Mr. Cornell stated that in his opinion the advertising department of a company should be its most valuable part and that executives should recognize this because the advertising manager is a connecting link between the company and the public.

Clarence T. Hubbard's Address

D. C. Gibson, president of the I. A. C. and vice president of Maryland Casualty, presented Secretary C. T. Hubbard of Automobile of Hartford, who was the luncheon speaker and had for his topic, "The Inside Story Which Has Never Been Told."

"Too few people know the inside story of insurance, what the insurance companies have done to support the credit of this nation, the education of families which has been dependent upon farsighted insurance arrangements, the financing and support of charitable institutions through the provisions of insurance, the rehabilitation units maintained by insurance companies," he said.

He pointed out that stock fire companies have reduced their average rate from \$1.10 in 1911 to about 60 cents at present. During this period contracts have been broadened, fire and other safety prevention divisions maintained and all the cities and towns in the United States have been inspected and reinspected. The companies have contributed financially to the various salvage corps, they have promoted improved construction, cooperated with the government and other bureaus in studying the causes and prevention of explosions, fires, effects of hurricanes and earthquakes. It was insurance engineers who led the fight to have X-ray films safely manufactured and stored, who battled against the use of wood roofs and other construction dangers in hospitals.

The investments of the insurance com-

panies are an "inside story," such as the rehabilitation of farms on which mortgages were granted, the financing of entire units of construction for schools and churches, the subscription to bonds representing constructive financing to the betterment of communities. He said that the public at large has no reasonable understanding of what constitutes reserves and what the real significance of surpluses is. He urged the advertising managers to tackle this problem of financial statements with the assistance and support of their management so that the figures representing the various insurance companies can be interpreted to the public in an understandable way, by publishing the amount of dollars that are held in trust in back of each dollar of premium paid so that a high school student can understand it.

There is a story in the constructive services that have been rendered by fire, life and casualty companies, he said, and also in the large number of employees engaged in the business. "The fact that a million or more people are engaged in the activities of the insurance business has never been given much publicity."

Mr. Hubbard recommended the establishment of a research bureau in the insurance business itself. He referred to the meeting of the Western Underwriters Association at White Sulphur Springs when it was suggested that an insurance laboratory be started for studying the possibilities in building insurance through new markets. No one company can undertake a new and untried line, but a research bureau should be established and then an experimental pool in which these new lines can be used to be shared by all companies until they eventually become profitable and can stand on their own feet. He said he would even go to the point of suggesting that the companies use the Gallup poll to determine all the erroneous attitudes of the public toward the insurance business. "We should first determine the major fallacies and misunderstandings about our business which the public holds, then correct these false thoughts through a correlated program in which all companies would cooperate."

ADVERTISING BRIEFS

The program committee and its chairman, John Ashmead, Phoenix of Hartford, distinguished itself by providing interesting and inspiring speakers. Other members of the committee are Arthur A. Flisk, Prudential; C. J. Fitzpatrick, secretary U. S. F. & G.; C. W. Van Beynum, Travelers.

S. C. Doolittle, Fidelity & Deposit, chairman of the membership committee, reported a gain of several new members since the annual meeting last September.

Paul L. Cornell was Republican nominee for senator from Connecticut at the last election. He told some amusing experiences he had during his campaign. After one of his radio addresses he was summoned to the telephone where a voice asked him how tall he was and what he weighed. He gave the answers to these questions and then heard, "All right. Will vote for you."

Commissioner John B. Gontrum of Maryland is an enthusiastic and forceful speaker. Before his appointment as commissioner he served as secretary of state of Maryland.

Automobile Inspections

A new publication, "Motor Vehicle Inspection Manual," that is expected to give incentive to the movement to establish uniform motor vehicle inspection standards in all states has come off of the press, sponsored by the American Association of Motor Vehicle Administrators and National Conservation Bureau.

The book simplifies the procedure for setting up a program for periodic inspection of motor vehicles.

R. H. Bell Is New Head of Risk Research Institute

NEW YORK—Risk Research Institute, national organization of insurance buyers and self-insurers, has elected R. H. Bell, insurance manager United Parcel Service, New York, as president. R. D. Guernsey, Frederick Loeser & Co., Brooklyn, is first vice-president; E. M. Halkyard, Combustion Engineering company, New York, second vice-president; W. H. Palmer, Lowe Paper Company, Ridgefield, N. J., secretary, and J. G. Goetz, New York, managing director.

Directors include the officers and R. S. Bass, A. E. Staley Manufacturing Company, Decatur, Ill.; G. C. Bennett, Bankers Trust, New York; Solton Engel, Consolidated Edison, New York; J. H. Gage, Merck & Co., Rahway, N. J.; S. S. Graham, Union Switch & Signal, Swissvale, Pa.; A. F. Hutchinson, American Cyanamid Company, Bound Brook, N. J.; J. J. Jameson, News Syndicate Company, New York; G. A. Loeb, "New York Times"; H. I. Kleinhaus, National Retail Dry Goods Association, New York; J. A. Powers, Bigelow-Sanford Carpet Company, New York; W. C. Rich, Minneapolis-Moline Implement Company, Minneapolis; R. T. Sprague, Electrical Advisers, Inc., New York, and J. H. Thomas, General Foods Corporation, New York.

There will be an information dinner Dec. 19 at the Hotel Astor, New York. It will be open to company executives, brokers and agents, and other in the insurance business who are recommended by insurance buyers.

Buyers Ponder Surety Topics at A. M. A. Meet

(CONTINUED FROM PAGE 19)

able to each loss or to each individual employee causing the loss. For instance, he wanted to know whether under a \$50,000 bond, the assured would have \$100,000 protection should an individual employee steal \$50,000 in the morning and then \$50,000 in the afternoon. The reply in behalf of the surety interests was that he would collect \$100,000. The benefit relates to individual losses and not to individual employees. If a number of employees were in collusion and caused a loss of say \$150,000, the recovery would be limited to \$50,000. If the same group should cause another loss, the second loss would be covered up to \$50,000.

One of the surety men stated that the automatic retroactive restoration endorsement raises the question of whether the surety company is not exceeding the statutory prohibition against becoming committed on any single risk to an amount exceeding 10 percent of surplus to policyholders. That question was put up to the New York department some time ago and the department decided that the application of the endorsement did not violate the statutory underwriting limits.

One of the buyers present asserted that surety companies should undertake the prosecution of known defaulters to a greater extent than they do. He said the surety companies can do a better job in this regard. The bonding companies should prosecute in every clear cut case, he contended.

One of the surety men stated that the surety company frequently is not permitted to sign a complaint. The employer is the injured party and he has to sign the complaint.

The employer, according to another surety man, is on delicate ground. He must appreciate the possibility that the employee may be cleared and the employer may be sued for defamation of character. Where the surety company tells the employer that he has a good case, then prosecution should go forward, this observer stated.

One of the surety representatives complained that assured are reluctant to permit surety companies to recommend the institution of accounting control systems that would minimize the possibility

of loss. Many assured resent such recommendations, feeling that it constitutes meddling in their business. If assured were willing to take such advice, the surety companies could render real service.

One of the important insurance buyers present endorsed those sentiments. He said that his company recently suffered a \$23,000 dishonesty loss and he expected when the surety company delivered its check it would also deliver a recommendation for improved accounting control.

New Law Is Big Topic at Arkansas Agents Rally

(CONTINUED FROM PAGE 21)

surety bonds or collateral to qualify as self-insurers.

The compensation commission has granted 60 days to 46 members of the Arkansas-Oklahoma Coal Operators Association to form an insurance cooperative to carry their risk. Meanwhile, they will operate under the self-insurance section. The 46 operators have gross annual income of \$3,500,000 and payroll of \$2,500,000. At \$8 per \$100 of payroll, the cost of insurance is figured as equal to 20 cents per ton of coal that is mined.

According to an estimate by the WPA, 8,521 firms and individuals employing 95,159 persons will be subject to the act.

Lumbermen's Reciprocal Insurance Exchange, formed by lumber processors having a minimum aggregate payroll of \$1,500,000, has received license. It will maintain a \$25,000 deposit.

By terms of the compensation act, compensation commission may spread risks of small sawmill operators among underwriters. Several such risks have been refused because of high accident frequency.

Chicago Office Has Open House

The National Insurance Management Agency and Chicago branch office of Pennsylvania Casualty, which are managed by A. J. Frenz, held an informal opening of the new office in the Insurance Exchange. P. C. Baylor of North Carolina, who is general agent for Pennsylvania Casualty for three southern states, attended. He is assisting Mr. Frenz in opening the Chicago office, which handles Illinois and Missouri business. J. B. McCoy, who is in charge of the engineering department of Pennsylvania Casualty, assisted by L. H. Parramore, supervising engineer located in St. Louis, also attended and presented engineering display which included photographs of bad crashes and various forms that are used. A large number of agents, brokers and branch office managers visited the new quarters. Voris Lyons, vice-president and general manager Pennsylvania Casualty, had planned to attend but due to illness was unable to do so.

Carey at Detroit Conference

L. J. Carey, legal counsel Michigan Mutual Liability, Detroit, will lead the casualty discussion on the program of the Business Careers Conference to be held at Wayne University, Dec. 13. The conference is being sponsored by the Business Administration Club of the business administration faculty of the university in cooperation with the Detroit Board of Commerce for the purpose of acquainting high school and college students with vocational opportunities in business, thus focusing the purpose of their immediate and future training. It is also designed to provide an opportunity for business men to understand the vocational problems of youth. G. E. Lackey, general agent Massachusetts Mutual Life, will represent life insurance.

Separate San Antonio Offices

The Hooper-Holmes Bureau and American Service Bureau, which have

been operating in San Antonio, Tex., through a common office, are now maintaining separate offices. Victor M. Curtis, who has been in Dallas, will be in charge of the American Service Bureau office. Claude Phillips, who goes from Indiana, is in charge of the Hooper-Holmes office.

Casualty Adjusters Annual Party

The Casualty Adjusters Association of Chicago held its annual Christmas party in the Bal Tabarin, Sherman hotel, Chicago at which over 500 attended. R. T. Luce, vice-president in charge of

claims Casualty Mutual, who is secretary of the association, was in charge of arrangements. Dinner was served, followed by a floor show. Special guests included the Illinois Industrial Commission, of which Peter Angsten is chairman.

Open House in Washington

Hartford Accident will hold an informal "open house" at its Washington service branch, 925 Fifteenth street, N. W., Thursday afternoon. This office has been newly arranged, redecorated and equipped to handle the load placed upon

it by activities in connection with the national defense program. T. R. Barker, manager, and officials from the home office will be present to greet visitors.

Discuss Buffalo School

BUFFALO—A report on the club's recently completed school for agents featured the meeting of the Buffalo Casualty & Surety Club. President J. Ellsworth Buck presided. The club voted to hold a stag party some time in January. Kenneth Popham was appointed chairman.

NOT WHO TAKES...



WHO LOSES?

WHEN it comes to wandering from the "straight and narrow" what really counts is not so much who takes—but who LOSES! Every year a sizeable fortune is spent in preventive measures designed



to cut down crime. In spite of that, crime goes on: the thief still breaks through, the trusted employee still falls prey to temptation.

For employer-victims the important questions are: Do you know that protection against crime losses is available? If you have it, are you reasonably sure that it fits your particular needs . . . adequately and soundly?

Agents of American Surety and New York Casualty Companies answer these questions daily in every American business community. They suggest and supply the forms of coverage that assure the employer

of indemnity against loss when others "take"! No employer should lack this protection.

Our agents from coast to coast are backed by companies that are experienced and financially strong. They are your business neighbors and as such are familiar with local conditions. At the same time they bring nation-wide service speedily to your door.

AMERICAN SURETY COMPANY NEW YORK CASUALTY COMPANY

HOME OFFICES: 100 Broadway, New York

Both Companies write fidelity, forgery and surety bonds and casualty insurance.

This advertisement appears in Business and Financial Magazines

CHANGES IN CASUALTY FIELD

Burger Goes with Ohio Casualty

L. W. Burger, Chicago branch manager Bankers Indemnity since 1935, has resigned and has gone with the Ohio Casualty home office in an underwriting capacity. He was in the home office in Hamilton, O., this week familiarizing



L. W. BURGER

himself with his new duties and probably will return to Chicago to wind up his affairs there before taking his new post permanently.

Mr. Burger is one of the best known casualty and surety men in the middle west, with about 20 years' experience. He started in Chicago with United States Fidelity & Guaranty in 1920 as an inspector. He became an underwriter, then had four years' experience as agency supervisor. Later he was superintendent of the compensation and liability department and then superintendent in charge of all casualty lines. Mr. Burger was connected with U. S. F. & G. for about 12 years.

Eight Years with Bankers

He resigned eight years ago to join Bankers Indemnity in Chicago as assistant manager, being appointed manager in 1935.

He is past president of the Casualty Field Club of Chicago, past president of the Plate Glass Underwriters, and past president of the Burglary Underwriters Club.

Mr. Burger has written many articles on casualty subjects and also has spoken before gatherings of agents and brokers.

Brundage to Illinois National

H. O. Brundage, who has been in the automobile department of Metropolitan Casualty and Commercial Casualty in Chicago, has joined Illinois National Casualty as special representative. He will handle northern Illinois territory as successor to C. J. Beck, who has been promoted to the home office at Springfield. Mr. Brundage attended Grinnell College and was in the underwriting department of the Chicago office of Aetna Casualty before going with Metropolitan Casualty. He is well informed and experienced on all casualty lines.

In his new position, Mr. Beck will do agency supervisory work in Illinois, Iowa, Indiana, Michigan and Ohio.

Central Surety Eastern Office

Central Surety is opening an eastern department at 83 Maiden Lane, New York, under the direction of B.G.D. Blue, resident vice-president. Mr. Blue has been identified with the insurance

business in New York since 1921 and has most recently been superintendent metropolitan bond department Royal Indemnity.

The establishment of the eastern department does not change the status of Alexander Greene & Co., 83 Maiden Lane, as managers metropolitan department Central Surety for casualty and fire lines.

Fireman's Fund Coast Changes

Henry L. Carleton of the engineering department in Seattle for Fireman's Fund Indemnity and Occidental Indemnity, has been temporarily assigned to Oregon, replacing Captain Lloyd E. Wagner as special agent during Wagner's service in the Marine Corps.

J. E. Charbonnel, casualty manager for Washington and Oregon, has taken over management of the automobile departments.

James R. McKay has been appointed special agent for the fire companies of the group in Seattle.

W. G. Risdon to Seattle

W. G. Risdon, formerly with the American Bonding in Los Angeles, has been transferred to Seattle, where he will succeed Robert Ingram as special agent.

Travis to National Automobile

LOS ANGELES—R. L. Travis, bonding superintendent in the Los Angeles office of the Globe Indemnity, has resigned to become vice president of the National Automobile in complete charge of its surety department.

Mr. Travis has been with the Globe about a year and before that with the Columbia Casualty in Los Angeles.

Paul Doring, who has been handling bond underwriting for the National Automobile, resigned a short time ago.

C. M. Slininger succeeds Mr. Travis with the Globe Indemnity.

National Surety in New Offices

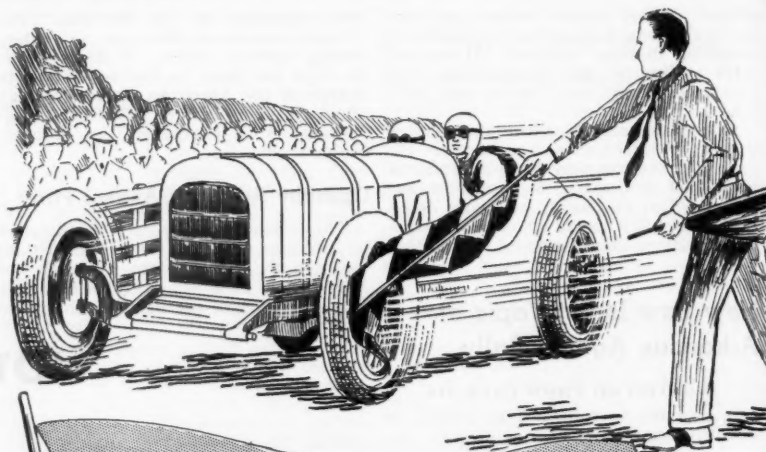
DENVER—The branch and claims offices of National Surety have been moved to new quarters in the Railways

Has New Agency



JOHN F. NUBEL

John F. Nubel, who resigned recently as vice-president of Standard Surety & Casualty, has organized the insurance agency of Nubel & Reilly at 111 John street, New York. The vice-president of the agency is Walter P. Reilly, who has been operating the Walter agency; treasurer is Edmund A. Kunst, an accountant, and assistant secretary is C. J. Henry, who has been connected with Fire Association in New York.



FIRST

**IN SPEED
DEPENDABILITY
AND RELIABILITY**

for

**PLATE GLASS
REPLACEMENT**

Go along with the leader! The American Glass Company enjoys unchallenged leadership in the Chicago plate glass replacement field because it is keyed to give speedy and dependable plate glass replacement with the least inconvenience to your clients.

A fleet of fast, modern trucks manned by men with complete plate glass experience operates in Chicago and vicinity, exclusively. Because the American Glass Company concentrates its efforts in a limited territory, it serves your clients, as well as you, better.

A call will convince you—

Phone MOHAWK 1100

American Glass Company
1030-42 NORTH BRANCH STREET-CHICAGO

Exchange building, room 308, after having done business in their former location for 36 years. R. W. Smith, vice-president, and Carl Cross, branch manager, are in charge. Mr. Smith has been with National Surety for 36 years as vice-president. Mr. Cross, who is an expert surety man in all its lines, is well known in this territory.

Cesarano with Owenby

P. J. Cesarano, special agent of the Florida insurance department, has resigned to join the Carl L. Owenby agency of Tallahassee. His headquarters will be in Miami. This agency represents several casualty companies. Mr. Owenby was formerly compensation deputy in the Florida department.

D. F. Cass with Aetna Casualty

D. F. Cass has been appointed special agent in the Indianapolis branch office of the Aetna Casualty. He was formerly special agent of the Fidelity & Casualty in Indiana, prior to which he was in the casualty and surety business in Chicago and Milwaukee for several years.

H. H. Brigham, field assistant casualty lines Denver branch office Travelers, has been transferred to the Los Angeles branch in the same capacity.

J. L. Tull, assistant manager fidelity and surety lines, Dallas branch office Travelers, has had his territory extended to include the Houston branch office as well as the Dallas office, but will keep his headquarters in Dallas.

The Zurich has withdrawn from the H. V. Godbold Company agency in Richmond, Va., which had been representing it as general agent for Virginia for 17 years.

COMPENSATION

High-Low Cancellation Rule Is Promulgated

NEW YORK—An amendment to the retrospective rating plan of the Compensation Insurance Rating Board, governing the cancellation of long term construction risks, reads: "If cancellation is effected by the insurance carrier, the retrospective rating premium shall be determined on the basis of the actual audited standard premium for the period the policy or policies, covering the long term contracts are in force except that, in the event of cancellation for non-payment of premium, the maximum retrospective premium shall be determined as provided in Rule 8."

Initiate Mass. State Fund Bill

BOSTON—An initiative petition, accompanied by the necessary 25,000 signatures, has been filed with the Massachusetts legislature by K. I. Taylor, legislative agent of the Massachusetts Federation of Labor, seeking a workmen's compensation state fund. If the bill accompanying the petition is rejected by the legislature, the question will be automatically placed on the ballot in 1942.

May Abandon Schedule Rating

ST. PAUL—Schedule rating in compensation insurance may be abandoned in Minnesota if the attorney general finds that such a step is legal. The question has been placed before the Minnesota compensation insurance board but it decided to await a ruling of the attorney-general before taking action. The compensation act passed in 1921 provides for schedule rating but

experience rating of late years has largely cancelled the need for schedule rating and there is considerable sentiment for abandoning it. However, legislative action may be necessary.

Pennsylvania Changes Sought

HARRISBURG, PA.—A legislative probe into the workings of Pennsylvania's workmen's compensation act will be asked by the Pennsylvania C.I.O. when the legislature meets in January, John Philips, president, has announced. The C.I.O. seeks changes to make the act mandatory instead of elective; set up

a rate bureau as part of the state government instead of leaving it under the control of insurance companies; establish the state fund as the sole insurance carrier for compensation risks; reestablish the five-day week as the basis for computing compensation instead of actual working time.

Reject B. C. Silica Amendment

VICTORIA, B. C.—In rejecting a labor-sponsored bill which would have reduced from three years to one the period a minor must be exposed to silica dust in British Columbia, George S.

Pearson, minister of labor, told the house the workmen's compensation act of the province pays the greatest benefits of any similar law in the world. However, he said there is to be some inquiry into the interpretations of the act the coming year.

G. B. Gay Assistant Secretary

NEW YORK—George B. Gay is now assistant secretary of the National Council on Compensation Insurance, the appointment having been decided upon by the governing committee. He conducts or supervises all investigation and

"Unforeseen events . . . need not change and shape the course of man's affairs"



THE SMITHS ARE OUT . . . PLENTY!

The Smiths stepped out for an evening of excitement . . . and found it at home! A forced door, a buffet emptied of its silver, rifled wardrobes—all told the story. Another costly burglary.

A burglar's prospect list is as long as the city directory. *Your* address may be on one. Locks will not prevent the burglary, but insurance protects you against the resulting loss.

Right now is a particularly good time to invest in burglary insurance . . . for the protection which

The Maryland offers has been greatly broadened, without a corresponding increase in cost. The property of guests is now protected by your policy. And coverage has also been extended to garages, store rooms and outbuildings.

A few minutes' talk with a Maryland Casualty agent or broker will clearly demonstrate to you the completeness of the protection which is now available for *your* home, store, factory or office. Maryland Casualty Company, Baltimore.

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland Casualty agents and brokers can help you obtain protection against unforeseen events in business, industry and the home.

THE MARYLAND

This advertisement appears in TIME • FORTUNE • NATION'S BUSINESS and BUSINESS WEEK during the month of December

WANTED

Experienced adjuster and investigator for insurance claims. Must be a member of the Ohio Bar. References required. Reply with complete details in own handwriting. Address M-54, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

research in connection with manual classification, rule amendment and development, presenting the material at staff meetings preliminary to their submission to the manual committee. In addition he prepares manual committee agenda, minutes and other bulletins, and presides at meetings of the several sub-committees of the manual committee, all of which activities he will continue.

Mich. Rates 5.2% Lower

Revised compensation rates for Michigan, recently issued by the National Council on Compensation Insurance, effective Dec. 31, average 5.2 below those now in force.

SURETY

Manning Compiles Material on Internal Revenue Bonds

J. A. Manning, National Surety, who recently published a manual on customs bonds, has compiled a similar and larger manual setting forth the rights and liabilities of the surety under 50 different types of internal revenue bonds. The new book, "Internal Revenue Bond Manual," is published by Montross & Clarke Co., New York.

The new manual lists in brief form the 50 different types of bonds which may be required under the laws and regulations governing collection of internal revenue taxes, and the rights and liabilities of the surety under these bonds. A summary of the safeguards which surround risks of the several classes is also included.

Additional features of the manual, which was prepared to fill the need among underwriters and claim adjusters for more detailed information regarding these bonds, include references to the appropriate sections of the laws and regulations and to such Treasury decisions as affect the liability of the surety. There are also appropriate indexes.

No Change in Auto Dealers Bonds

LOS ANGELES—The Surety Underwriters Association of Southern California heard a report from the rate, rules and forms committee that action on the proposed ordinance to amend the form of bond for used car dealers will not be enacted at this time, and that these bonds can be written on present forms until after the first of the year.

President W. C. Fundenberg, Fidelity & Deposit, announced his committees. On the executive committee are W. R. Whitford, Hartford Accident, chairman; C. F. Batchelor, Indemnity of N. A.; Mr. Fundenberg, J. R. McKinney, Massachusetts Bonding; R. S. Possinger, Aetna Casualty; L. H. Schwobeda, Fireman's Fund Indemnity, and A. I. Zimmerman, American Surety.

Contract Bond Parleys Slated

NEW YORK—Two meetings of interest to contract bond officials will be held here Thursday. In the morning, the Bureau of Contract Information will hold its annual stockholders' meeting, and this will be followed by meetings of directors and subscribers of the bureau.

The contract bond committee of the Surety Association will meet at 2 p. m.

O'Malley Is Reelected in N. Y.

H. F. O'Malley, Aetna Casualty, was reelected president of the Surety Underwriters Association of New York. Vice-president is J. B. Duke, New Amsterdam Casualty, and secretary is W. S. Donaghy, Royal Indemnity.

New Bond Rate Cut in Va.

The Towner Rating Bureau has filed a rate of \$5 with the Virginia corporation commission for bonds of deputies in county treasurers' offices. The old rate was \$7.50. The new filing was made after a conference with State Au-

ditor Downs of Virginia. When Downs took office in 1933, the rate was \$15 on deputies and \$15 on county treasurers. The latter bond rate is now \$7.50. There has been no loss to sureties under a treasurer's bond during that period.

Surety Meetings Expanded

NEW YORK—The executive committee of the Surety Association of America, has decided to invite two officials of member companies, in addition to those already represented, to attend the monthly meetings and a like number to be present at the monthly gatherings of the special problems committee.

Lansing Board Loses Bond Issue

LANSING MICH.—Despite an appeal by Clyde B. Smith, the Lansing city council rejected a proposal of the Lansing Association of Insurance Agents that the city treasurer's bond be awarded on a basis which would give association members a larger share. The council re-awarded the \$150,000 coverage to give the association only half of the bond with \$50,000 going to the Mills Mutual Agency and \$25,000 to the John Stratton agency.

The Lansing association had sought

an equal division of the business with its 23 members, the mutual agency and the non-affiliated Stratton agency each taking one-twenty-fifth. The association had suggested that the amount of the bond be increased to \$250,000.

Trends Favorable to Honesty

LOS ANGELES—W. C. Fundenberg, Los Angeles associate manager of the Fidelity & Deposit and president of the Surety Underwriters Association of Southern California, points out that the current and prospective expansion in payrolls and in employment is favorable to a rising curve of honesty, although emergency factors must not be ignored. For example, the necessity for rapid expansion of personnel and the starting of new businesses may result in looser controls and a consequent increase in losses from dishonest employees.

New Taxi Rates in New York

NEW YORK—New rates for insurance and bonds required of taxicabs in this state will become effective Jan. 1. Under Section 329 of the revised insurance laws "any membership corporation or voluntary association operating in this state prior to Jan. 1, 1938," may secure

either insurance or surety bonds for its members without being licensed as an insurance broker. In the past two years four such group coverages were granted by a surety company, at rates below those charged for individual assured.

Van Wert Reelected at Beloit

BELOIT, WIS.—Donald Van Wert, local agent here and vice-president Wisconsin Association of Insurance Agents, was reelected president of the Rock County Association of Insurance Agents at the annual dinner meeting. Other officers are W. G. Lathrop, Janesville, vice-president, and A. J. Jensen, Janesville, secretary-treasurer. Chester Uehling, Beloit, reported for the committee handling the public business of Rock County through the board setup. Irwin Krier, of U. S. F. & G., was guest speaker, discussing the consumer-cooperative movement as related to the insurance business. He drew a parallel between cooperatives and non-agency mutuals.

Service rendered by the agent and his company are just as valuable as the policy itself.

Go ahead and do it—it's easier to succeed than to explain why you didn't.



Emmco AGENTS HAVE TWO SANTAS Thruout the Year

The new EMMCO Plan for automobile insurance men provides *extra profit possibilities*. It's like finding out there's more than one Santa Claus bringing you extra gifts throughout the year.

Since the EMMCO Plan was first announced, a tremendous number of agents have happily discovered that it increases prospects for extra profits and gives *more chances to close and hold business year in and year out*.

WRITE FOR COMPLETE DETAILS

Full information on this interesting new plan that increases your profits far beyond the customary return for effort involved—will be sent at once without obligation. Write today!

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KARL BRECHT
SECRETARY

C. L. SCRANTON
MGR. UNDERWRITING DEPT.

ACCIDENT AND HEALTH

General Setup of Mid-year Meeting of National A. & H. Association Announced

INDIANAPOLIS—John McGurk, Indiana manager Mutual Benefit Health & Accident, chairman of the committee on arrangements for the mid-year meeting of the National Accident & Health Association, has announced the general outline of the program.

The opening evening, Tuesday, Jan. 28, set aside for open house and a pre-convention meeting of the National executive committee, there will be a "double feature," in addition to the technical film of the annual convention of the National association at Columbus last June.

Wednesday morning, Jan. 29, will be given over to meetings of agents, by companies, in individual halls, with a luncheon Wednesday noon featured by a "How to" inspirational address.

The sales congress will be held Wednesday afternoon; theme, "Accident and Health Is Primary Insurance"; speakers, demonstration, discussion.

The civic banquet Wednesday evening, with the theme, "Accident and Health in Action" and a nationally known speaker, is planned as an introduction of accident and health insurance to the community as an institution. It will be invitational, "on the Indianapolis association." In addition to all those registered at the mid-year meeting, including the ladies, the guests will include a cross-section of the business, professional and organized life of the city.

Thursday morning will be the association session, "National Association in Action," with a managers' round table in the afternoon.

"Brokers' Day" in Chicago Made "Experience Meeting"

The "brokers' day" meeting of the Chicago Accident & Health Association, with an especially large attendance of both managers and brokers, developed quite largely into an "experience meeting," where successful producers were questioned as to recent sales of accident or accident and health insurance and how they were made. The one point on which there was general agreement was that there is little or no need for cold canvass in the sale of accident insurance. Men who have a considerable number of contacts can develop a thoroughly adequate supply of prospects through the endless chain method and service activities. There was some difference of opinion as to the use of pre-approach letters and the telephone as an aid in making sales.

On the managers' side, it was emphasized that the main thing necessary to get brokers to produce accident and health is to work out a simplified presentation that will get them enthusiastic about it, rather than unloading a multiplicity of policies on them and expecting them to wade through the manual to figure out the rates applicable to different classifications and different policy forms. Jay De Young, Continental Casualty, was discussion chairman.

George W. Young, Jr., secretary Interstate Business Men's Accident, Des Moines, and R. L. Spangler, secretary Woodmen Accident, Lincoln, Neb., were special guests.

Samuel Rockwell, Hartford Accident, chairman of the committee in charge of the Christmas party to be held in the penthouse of the Morrison Hotel next Saturday night, featuring a cocktail hour, dinner, dancing and special entertainment, outlined the arrangements for it.

President Donald E. Compton, Provident Life & Accident, announced that the January meeting will feature a panel discussion on recent policy changes and

age limits, led by C. S. Revenaugh, Maryland Casualty, and C. J. Pohl, United States Fidelity & Guaranty.

North American Accident Report Is Laudatory

North American Accident of Chicago possessed assets of \$3,630,756, capital \$400,000 and net surplus \$684,796 as at June 30, 1940, according to a report of an examination conducted by Illinois, Arkansas, Missouri and New Jersey. The Illinois department in its report included a statement of the cost of examination, listing the allowances to each of the examiners. The total cost was \$6,098.

The examiners state that the company is in sound financial condition, cash position is well maintained and the investment portfolio is composed of securities that are readily marketable. Loss ratios have been favorable and operating expenses moderate. Loss settlements on legitimate claims have been paid in accordance with the provisions of the contract.

North American Accident has about 4,700 agents and 48 general agents. About 35 percent of its business is produced by the R. H. Gore Company, which is exclusive agent for the Readers Service & Appreciation form. This is the so-called newspaper business.

For the first six months of 1940 net premiums written amounted to \$2,341,094, total income \$2,393,436, claims paid amounted to \$804,416, and total disbursements \$2,221,422.

New Medical Indemnity Insurer

The New York department has licensed Group Health Cooperative, Inc., 1790 Broadway, New York. It will operate as a non-profit medical indemnity insurer. Winslow Carlton is executive director. Coverage includes doctor's services, general medical care, specialists, surgical operations, diagnostic x-rays, maternity care and laboratory fees. It will confine its activities to New York City and Westchester county at first. It is the first organization of its kind to be licensed.

Commercial Travelers and Drafftees

The Commercial Travelers Mutual Accident of Utica announces that it will continue coverage for any member who enters military or naval service, regardless of provisions for change of occupation, so long as: (1) He remains within the continental limits of the United

States and Canada. (2) No actual warfare and fighting takes place within such continental limits. (3) He does not participate in aviation.

Changes Hospitalization Rules

Because of the increasing loss ratio of old form hospitalization policies, the Hoosier Casualty is requiring that all policies on the old forms must be rewritten on new forms after payment of the first maternity claim.

Heretofore, hospitalization policies on a monthly basis could be written only on groups of five or more employees with the same employer. The company now has decided to extend the monthly payment plan to include families of three or more members.

Favor Hospital Associations

INDIANAPOLIS—A commission named by Governor Townsend of Indiana is expected to make a report soon recommending the establishment of non-

profit hospital insurance associations. At the last session of the assembly a hospital insurance bill passed by it was not signed by the governor. The governor's commission will advise that if a non-profit hospital insurance measure is adopted, it should have safeguards to prevent abuses by racketeers.

Neil Brown Philadelphia Speaker

The Accident & Health Association of Philadelphia is meeting Dec. 12. Neil J. Brown, superintendent personal accident department Hartford Accident, will talk on "The Home Office Ogre." He will urge the necessity for proper underwriting in the field and endeavor to debunk the general feeling that home office underwriters wear horns.

Faulkner's New Book Ready

A new book, "Accident and Health Insurance," by E. J. Faulkner, president Woodmen Accident, is being published by the McGraw-Hill Company and will



—let us thank God for our American Christmas and for the many other blessings bequeathed us by our liberty-loving ancestors whose beneficent spirits watch over us in these troubled times. May they lend us strength in our determination to hand the fruits of their labor, untarnished and undiminished, on down to those Americans who come after us.



COMMERCIAL STANDARD INSURANCE COMPANY
FORT WORTH, TEXAS

Home Office
Near the Falls of Minnehaha
On the Mississippi River

"ALL-IN-ONE" POLICY

**BODILY INJURY PROPERTY DAMAGE
LOSS OF OR DAMAGE TO AUTOMOBILES**

(Comprehensive coverage including collision and upset.)

Unlike the usual deductible forms of collision insurance, our deductible amount may be used up through payment by the insured of several smaller losses (reported to the company) or through payment of the deductible amount in connection with a single larger loss; thereafter the policy becomes a full coverage contract and all losses resulting from accidental collision or upset will be paid in full.

THE COST IS SURPRISINGLY LOW

ANCHOR CASUALTY COMPANY

SAINT PAUL
MINNESOTA



be ready for distribution soon. It is really the first comprehensive text ever prepared on this subject, presenting every aspect of the business in a way that will be of interest to home office men, general agents and personal producers.

Mr. Faulkner is chairman of the educational committee Health & Accident Underwriters Conference, which has given the book its complete endorsement and expects to use it very extensively in educational work. It represents many years of research in collaboration with other leaders in the business.

The subjects covered include the history of accident and health insurance, the function of disability insurance, methods of indemnifying for disability losses, terms of policy, types of policy contracts, selection of risks, premium rates, reserves and reinsurance, the agency organization, claims, the law department, noncancellable accident and health insurance and hospitalization insurance.

Claim Men Hear Sorg and Ward

PITTSBURGH—At the December meeting of the Pittsburgh Casualty Claims Association speakers included John M. Sorg, attorney, and E. M. Ward, special agent in charge of the Cleveland field office of the claims bureau of the Association of Casualty & Surety Executives.

Consider Portland Amendment

PORTLAND, ORE.—The Portland Accident & Health Managers Club had up for consideration this week an amendment to the constitution granting membership to assessment accident and health companies.

Officers of the club this year are: President, V. W. Burke, California-Western States Life; vice-president, J. W. Martin, Loyal Protective Life; secretary-treasurer, J. J. Quillin, Colorado Life.

Great American Reserve Rally

DALLAS—A sightseeing agency convention with only one formal business session during its three days has been tentatively scheduled for March 12 for leading producers of the Great American Reserve, President Travis T. Wallace has announced.

"Non-Can" Hearing Again Held Up

LOS ANGELES—Col. W. H. Neblett's opposition to the plan of rehabilitation of the Pacific Mutual Life again held up the case relative to amounts to be allowed "non-can" policyholders of the old company and caused another postponement to Dec. 13. He had attacked Judge Vickers' qualifications to try the case on the ground that the judge's sister owned stock in the old company.

Aids Agents on Local "Ads"

Standard Accident is making available to agents a portfolio containing suggested local advertising copy. The copy is suitable for use in connection with newspaper advertising, advertising programs, and other publications. According to R. J. Walker, advertising manager, a large number of agents have requested copies of the portfolio.

NEWS BRIEFS

Clifton W. McNeill, superintendent of agencies of the accident and health department of the Union Mutual Life, spoke at a Van Buren (Me.) Rotary Club dinner.

The Pittsburgh Accident & Health Association will hold its Christmas party Dec. 16. Secretary I. F. Nutting, Service Review, is in charge.

Carl Vandivier, Indianapolis attorney and former Marion county Republican chairman, has joined the Massachusetts Protective companies as traveling legal representative. He will spend two or three months in Worcester before assuming active duties.

The Insurance Association of Approved Hospitals of Oakland, Cal., form-

erly a "chapter 9" company, will operate hereafter under Section 11-A of the insurance code, which provides for the organization and operation of non-profit hospital service plans.

The Cleveland Accident & Health Association will hold its annual meeting on Friday, Dec. 13.

PERSONALS

F. S. Brown, vice-president and secretary Standard Accident, secured his "buck" in his annual trek to the hunting grounds of northern Michigan, even though the scarcity of snow in the early days of the deer hunting season reduced the chances of many hunters this year.

Duane Blackburn of the Des Moines office of United States Fidelity & Guaranty, was married there to Miss Beatrice Atkinson, also of Des Moines.

L. G. Kiely, cashier in the St. Paul branch office Travelers, has been granted leave of absence for military duty.

Frank Noble, Des Moines manager of the American Surety, received 35 American beauty roses from the company, one rose for each year's service. He has been Des Moines manager ever since he joined the company 35 years ago. He is its third oldest manager in point of service.

B. A. Elwell, underwriter in the Aetna Casualty branch office in Kansas City, is the father of a boy.

F. P. McCune of American States has been elected president of the newly organized Indianapolis chapter of National Office Management Association.

President J. R. Plummer of the Commercial Standard of Fort Worth is bereaved by the death of his mother, Mrs. Louise R. Plummer.

Oklahoma Officers Reelected

OKLAHOMA CITY—The Surety & Casualty Association of Oklahoma has reelected the official staff to serve another term. Roy Van Wagenen is president; Herbert Heiman vice-president and H. Houston, secretary, all of Oklahoma City.

R. M. Clark on Joint Committee

Rollin M. Clark, vice-president of Continental Casualty, has been appointed as the representative of insurance on the so-called joint technical committee sponsored by the Chicago Association of Commerce, Illinois Manu-

facturers Association, Illinois Federation of Retail Associations, Associated Employers of Illinois and Illinois Chamber of Commerce. This committee is concerned with matters relating to the social security law, particularly the unemployment compensation feature. Last year the committee, which did not have insurance representation, presented an "agreed" bill which was enacted, amending the unemployment compensation act. The insurance interests were unable to get an amendment that they desired.

The decision to appoint Mr. Clark

was made at a meeting of the insurance division of the Illinois Chamber of Commerce Tuesday. The joint technical committee is expected to discuss at its meeting Thursday the recommendations that it will present to the next legislature.

Ted Lane, secretary of the Insurance Exchange of Los Angeles, who has been operating an agency under the title of Ted Lane & Associates, 510 West Sixth street, has formed a new firm to be known as Lane, Marsh & North.

Increase Your Auto Insurance Writings

PREFERRED RATES
THAT WILL GET
THE BUSINESS

UTILITIES INSURANCE COMPANY

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Direct contracts available for conservative and successful agents in Illinois, Indiana, Iowa, Missouri, Ohio, Nebraska, Colorado, Oklahoma, Kansas, Tennessee and Texas



Boiler U. & O. Is Cover of the Hour

(CONTINUED FROM PAGE 19)

from \$4,700 to \$7,500. A firm manufacturing cartons increased by 100 percent the limit of loss. In lieu of 100 day exposure for complete shutdown, policies were endorsed to provide 200 days.

Large Boiler Risks

Mr. Coburn read a list of the amounts of coverages under some of the largest boiler risks that are on the books. The largest provides daily indemnity of \$30,000 with a limit of loss of \$3,000,000. There is another of \$30,000 and \$2,760,000; another \$21,000 and \$2,100,000; \$17,500 and \$1,750,000. On machinery risks the largest are \$10,000 and \$1,000,000; \$10,000 and \$990,000; \$7,500 and \$1,492,000; \$5,753 and \$1,397,979 and \$5,000 and \$1,675,000.

The speaker pointed out that continuous operation of boilers and machinery, "the main spring of the plant," is essential to production.

U. & O. for boiler and machinery objects must be rated on a sufficiently flexible basis to reflect varied conditions, he observed. Power boilers, heating boilers, air tanks, storage tanks, digesters, paper machines, and refrigerating systems are a few of the types of objects insured under boilers. Steam turbines, steam engines, diesel engines, flywheels, pumps, compressors, electric generators, motors, transformers and other electrical apparatus are some of the usual types of machinery. There is little in common between a 5,000 horsepower water tube boiler used to furnish large quantities of high pressure steam for power generation and a 25 horsepower motor used to drive certain machinery, yet under certain conditions in an individual plant, the small motor may be a key machine and its failure may shut down the boiler or the entire plant.

Objects Are Defined

U. & O. is written to apply to plants and sometimes to departments of plants but specifies and defines the objects to which definite accidents may occur which may result in prevention of business. It provides a fixed amount selected by the insured to cover loss of profits, overhead and maintenance expenses.

The rating of boiler and machinery U. & O. is on a group basis. There are several rating groups for the various kinds and sizes of boiler and machinery objects, similar objects taking the same rate. The rate varies with the amount of insurance purchased and with the kind of object and number of days for which the insurance applies. The group method of rating, he said, affords flexibility for a large variety of objects and for considerable variation in the probable length of business interruption.

The standard U. & O. endorsement is a valued form, an agreement to pay a fixed amount, called the daily indemnity, for each day of total prevention of business on the premises. The assured determines the amount of daily indemnity required, but a list of the items is not required for rating or policy issuance. The assured must set a limit of loss which is the daily indemnity times the number of days of anticipated total interruption. Where a variety of objects is covered, it may be desirable to vary the number of days' coverage for certain objects which would not cause such long periods of interruption. Consideration should be given to possible damage of surrounding property such as important productive machinery of a kind not insured. One daily indemnity should be used for one plant, but varying amounts of daily indemnity can be arranged when a plant has periodically dull and busy seasons.

Specify Kind of Business

The endorsement must specify the kind of business in the plant (manufacturing, mercantile, rental or professional) so as to establish the basis of adjusting losses where there is a partial

prevention of business (production, gross sales, rents collectible and gross income, respectively).

For total prevention of business, the full daily indemnity is paid for each full day of 24 hours, regardless of actual loss suffered. For parts of a day, the company pays the proportionate part of the daily indemnity, depending upon the reduction from current business. The definition of current business is one-third of the total business on the premises during the three days next preceding the day of accident or any other three days selected by the assured in any calendar week in the preceding eight weeks.

Coverage may either commence at the time of accident or at some specified midnight following the accident. In this way the purchaser may reduce his premiums where his loss may be postponed for several days after the accident.

Amount of Daily Sum

The amount of daily indemnity should consist of the fixed expenses which would continue if the plant were totally shut down plus the normal operating profit.

The U. & O. endorsement provides in effect 100 percent coinsurance as respects partial prevention of business. If the daily indemnity is not enough to cover a total prevention, all partial losses will be underinsured in the same proportion.

Few risks require special treatment, he said. Only about a score of risks have been so treated for all companies during the past few years.

Mr. Coburn said that, although a number of non-valued forms have been authorized under special conditions, the boiler and machinery companies believe that the valued form is preferable. The valued form, for one thing, is more adaptable to standard, copyrighted wording. The non-valued form requires a special definition of "loss" and frequently such definitions must later be modified by endorsements together with the requirement of coinsurance.

Simple to Write

The valued form is simple to write and produces simple loss adjustments. The buyer need not divulge the details of his plant finances when purchasing the valued form. There is little, if any, moral hazard in the boiler and machinery lines and there is no inclination to overinsure. Under the valued form, the buyer has an incentive regularly to check the actual requirements of his plant, to maintain the daily indemnity at the correct level.

The non-valued form, he said, was used in connection with boiler and machinery prior to 1910 and was found unsatisfactory.

Mr. Coburn observed that boiler and machinery insurance brings to the assured an invaluable engineering service, periodic and practical. The insurance engineers can assist in restoring operations. They are in touch with available auxiliary equipment. A nationwide service is brought to the door of the assured. The insurance companies, as a rule, have greater opportunity to secure early delivery of parts.

Profit Dollars Important

Mr. Coburn pointed out that business men don't hesitate to insure property dollars. "They are tangible and by their very visibility constantly suggest that they be insured," he remarked. However, the average business man rarely thinks of the profit dollars as being worthy of insurance. But every commercial undertaking which would be deprived of earnings if its business should be partially or totally prevented needs boiler and machinery U. & O.

The question and answer period was most interesting. The first question was as to the number of assured that insure for complete breakdown on turbines. Mr. Coburn estimated that 60 percent

Worried?



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PROBLEM,
Consult
**A. F. SHAW
& COMPANY**

Usual & Unusual Forms of Insurance

ACCOUNTANTS LIABILITY
BEAUTY PARLOR LIABILITY
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Life • Accident • Sickness • Hospital • Group

of those that buy any turbine insurance buy complete breakdown.

He was asked whether the steam boiler policy covers malicious mischief and sabotage. Mr. Coburn replied that it does not. The companies have taken the position that the boiler policy insures against "sudden and accidental" occurrences and malicious mischief and sabotage are not accidental. However, the boiler and machinery bureau has just agreed upon an endorsement to cover malicious mischief and sabotage.

Then there was a question as to insurance that could be purchased by a plant to cover damage to that plant caused by a boiler explosion in premises of others. This can be purchased, Mr. Coburn explained, in the form of an endorsement to the boiler policy of the plant desiring such coverage, but there must be a description of the off-the-premises boilers on account of which the insurance is desired.

Fire Companies' Position

Mr. Coburn observed that the fire insurance companies are now permitted under the New York law in their explosion forms to cover damage regardless of the type of explosion.

Mr. Coburn expressed the opinion that fire companies should be compelled to issue such insurance. The boiler companies insist that they be permitted to inspect and control the operation of boilers, whereas the fire companies are accustomed to insuring on what he termed a blanket basis.

A question was asked whether extra cost in expediting repairs and replacements that is authorized by the insurer is covered, even if the cost exceeds the amount of daily indemnity. The answer is that such extra costs are covered up to the maximum limits of the policy.

The question was asked as to whether it is desirable to purchase U. & O. insurance on pressure vessels, not steam boilers, from fire companies or casualty companies. Mr. Coburn replied that the fire insurance people don't agree among themselves on how far their explosion policy extends in regard to vessels. "Don't forget that we are inspectors, too," he said.

P. D. Betterley of the Graton & Knight Company asked several questions prompted by Mr. Coburn's declaration that the amount of daily indemnity should be the same for one plant and it should not vary from one object to another. Mr. Betterley said that there is a tendency to decentralize power plants, to set up a motor in one room to supply power to a group of machines which may constitute but a small factor in relation to the entire plant. The results of a shutdown in this group of machines would not go beyond that particular series unless other departments of the plant depended upon the process involved. Hence, he argued, there should be a modification of the limits of daily indemnity.

Mr. Coburn insisted that his recommendation is the most satisfactory. It is possible, he pointed out, to insure one department of a plant if it produces a marketable commodity that is not part of a chain of operations.

The question was asked as to the proper coverage where an assured has spare equipment that could be pressed into service but that would cost more to operate than the regular equipment. That, Mr. Coburn replied, is outage insurance. The difference in the cost of operating one machine as against the cost of operating those that are normally in use is the measure of recovery.

At the beginning of the luncheon session, President Alvin E. Dodd of the American Management Association spoke briefly, recalling the genesis of the insurance section and remarking upon its growth. He said the idea of having an insurance section developed as a result of the interest that was displayed in the discussion of insurance matters at a meeting of the finance section of the AMA.

George DeWindt, head of the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters, introduced Mr. Coburn.

NEWS OF THE CASUALTY COMPANIES

Standard Accident Exhibit Shown After New Financing

President Charles C. Bowen of Standard Accident announces that the new common stock has now been sold to the underwriters and the funds have been paid into the treasury of Standard Accident. He presents a brief summary statement showing the effect of the new financing.

Total assets are now \$26,684,026 as compared with \$24,314,760 as at Oct. 31. Total liabilities, except capital, are now \$18,644,185 as compared with \$18,843,185. Capital now consists of 175,938 shares of common at \$10 par or \$1,759,380. There is no preferred stock. As at Oct. 31, capital consisted of 75,000 shares of preferred at \$10 or \$750,000 and 60,668 shares of common at \$10 or \$606,680.

Surplus including voluntary reserve is now \$6,280,461 as compared with \$4,114,895. Surplus to policyholders is now \$8,039,841 as compared with \$5,471,575.

The retirement of the former preferred stock was accomplished through the application of a portion of the proceeds from the sale of the new common stock. The remainder of the proceeds, less expenses, goes to increase capital and surplus.

Mr. Bowen points out that the protection to policyholders has increased by \$2,568,266.

With the retirement of the preferred stock pledged by stockholders with the Reconstruction Finance Corporation, the RFC has been paid in full and Standard Accident engagements to RFC satisfied and terminated.

"Standard's management," Mr. Bowen

stated, "wishes to express their appreciation of the confidence placed in them by the corporation and of the interest and cooperation of the corporation on the company's behalf."

Report on Savings Mutual

Savings Mutual Casualty of Peoria, full cover automobile company, as of June 30, had assets \$108,000 and surplus \$33,969 according to an examination report released by the Illinois department. The principal operating officers are D. H. Cummings, president, and John M. Niehaus, Jr., assistant treasurer and general counsel.

P. D. and P. L. business is written at a deviation of about 20 percent from manual while all other lines are written at manual. The company formerly specialized in taxicab writings but these have been discontinued, and operating costs have been materially reduced. For the first six months net premiums amounted to \$21,365, losses paid \$26,570, expenses \$35,801. Loss reserve was \$48,371, premium reserve \$20,206. For the first six months the loss ratio on an incurred and earned basis was 54.18 and expense ratio was 81.68.

The former general agency contract with Robert P. Butts has been terminated.

From inception to June 30, 1940, the combined loss and expense ratio has been 114.61.

The examiners state that irregularities arose in conjunction with the accounting of premiums on certain taxicab risks. But since September, 1939, no such transactions were noted. As a result of these transactions, the examiners find

that there was a net loss to the company in cash of \$4,526.

The common pleas court at Columbus has authorized the Ohio department to levy an assessment on each member or subscriber of the Lincoln Mutual Indemnity of Mansfield, now in liquidation.

Hits Harrington Proposal

Frank A. Goodwin, registrar of motor vehicles in Massachusetts, has expressed opposition to the bill proposed by Commissioner Harrington that would revoke the drivers' licenses of motorists who had insurance in a defunct mutual and failed to pay the assessment on policyholders. Goodwin stated that although it is true that many injured persons would not be able to collect unless the policyholders paid the assessment, "it is safe to say that 75 percent of the claims are fake and most of the money would go to chiseling lawyers." It would be outrageous, he said, to compel the 50,000 policyholders of Canton Mutual Liability and Broad Street Mutual Liability which failed, to pay out more money after having paid once. A petition for an assessment on policyholders of Canton Mutual is now pending before the supreme court and a similar petition will probably be filed by the receiver of Broad Street Mutual.

At the Dallas Insurance Women's Club "bosses' day" program, when each member brought her "boss" as a guest, short talks were made by T. L. Monagan, veteran southwest fire insurance man, D. D. McLarry, retired state agent of the Home, Alfonso Johnson, manager Dallas Insurance Agents Association.

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Robert C. Ream, President

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New York

DECEMBER 31st, 1939

| | |
|-------------------------------------|----------------------|
| CAPITAL | \$ 2,000,000.00 |
| Surplus | 4,925,022.53 |
| Voluntary Contingency Reserve | 500,000.00 |
| Reserve for Losses | 4,411,967.35 |
| All Other Liabilities | 2,659,228.69 |
| TOTAL ADMITTED ASSETS..... | 14,496,218.57 |

NOTE: Securities carried at \$361,062.50 in the above statement are deposited as required by law.

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POINTERS FOR LOCAL AGENTS

Agent Should Recognize Trend to Combined Cover

KANSAS CITY—The present day trend of combining various coverages into one policy is going to continue to grow, F. A. Brinkman, manager National Surety, predicted before the Casualty & Surety Underwriters Association here.

While the dishonesty, disappearance and destruction policy "has not as yet been very widely sold, considerable interest has been shown in the form," Mr. Brinkman said, "every agent and broker should feel it his duty to present this form to his clients, where there is the remotest possibility that the client might be interested. Some day, a wide awake agent is going to come along and make his presentation with the result that another agent who already has part of the business may find himself losing the entire line with practically no hope of recovering it.

Object to Commission Variance

"I know that some agents and brokers are adverse to presenting the comprehensive policy for the reason that there is a variance in the commission scale payable on the various insuring clauses as compared with the scale now applicable to straight fidelity or burglary schedules. This fact should, however, only be given minor consideration for several reasons:

"1. The possible loss of a line to another agent.

"2. Invariably the aggressive agent gains lines which are not on his books and thereby increases his commission income rather than losing ground.

"3. If this policy is properly presented, it is much easier to include coverages which are not now carried by an assured, such as forgery and some of the all risk burglary coverages.

"4. You will be giving a client the best coverage now available for protect-

ing his money and securities, and from what I have been able to observe the final result is more satisfactory than the separate coverages."

Want Lower Units

Considerable sentiment was expressed at the meeting by both agents and company men that the limits of the comprehensive (now \$25,000 minimum) should be lowered to \$10,000 or \$15,000. The coverage is now "a rich man's policy," one company man commented. At the lower minimum it would be much more salable.

An agent suggested a lower minimum on the bond to which can be attached the retroactive restoration.

Frank Wilbur, McCluer-Wilbur Underwriting Co., was appointed by O. B. Simmons, president, to head a new committee, which has the job of working out a plan of giving bank alarm systems periodic checkups. The committee will cooperate with the police department, which has reacted favorably to the idea. One bank found in a recent test that its alarm did not register to the police station. Chief L. B. Reed of the police department suggested that a survey of the alarm systems should be made, probably by insurance company engineers with police, and that alarm systems should terminate at the central dispatcher's office instead of as now in some cases in a precinct station, in which case they have to be relayed by telephone.

At the Dec. 27 meeting Bennett McCluer, McCluer-Wilbur Underwriting Co., will lead a discussion of resident agency laws. Mr. McCluer will discuss what the National Association of Casualty & Surety Agents, of which he is executive committeeman, has been doing along this line. The annual election will be held.

Form Stock Cover Council of St. Louis Groups

ST. LOUIS—J. J. O'Toole, president St. Louis Insurance Board, announces formation of the Council of Insurance Associations of St. Louis which will include in its membership all local stock insurance interests except life, and casualty branch offices.

The allied organizations are Insurance Board of St. Louis, Associated Agents' & Brokers' Association, St. Louis Association of Insurance Brokers, Automobile Underwriters, and Marine Underwriters.

The branch offices of casualty companies were represented in a number of meetings, but will not commit themselves until the by-laws are completed. This is expected to be done before the annual meeting of the Insurance Board Jan. 22.

"This will mean a broadening of the present activity of the board in taking an offensive stand for stock insurance, as one of the articles in the constitution provides that no member can do business with a mutual company or agent, directly or indirectly," Mr. O'Toole said.

"It will eliminate the question of a fire company being out of the board with the exception of a very few companies, as the Insurance Board and the Associated Agents' & Brokers' companies will all be in."

The council will be composed of two men from each organization who will elect their own officers.

Write more accident and increase your income by reading **Accident & Health Review**—\$1 for six months, 175 W. Jackson Blvd., Chicago.

HOLC Contract Is Again Outlawed in Missouri

JEFFERSON CITY, MO. — SCA-HOLC contracts in Missouri were banned, effective 12:01 a. m., Dec. 10, by the Missouri department, and all such contracts in force in Missouri became null and void.

Superintendent Lucas permitted to expire his order suspending his original order banning the contracts. On Sept. 15 he suspended his ban order for 60 days; he then extended this to Dec. 9. Since Superintendent Lucas permitted the suspension to expire without action, the original order became effective.

Thousands of the contracts were written in Missouri.



FIGURES AT MEETING OF INSURANCE COMMISSIONERS IN NEW YORK—R. E. Talbert, New York, general counsel of Zurich; E. W. Sawyer, National Bureau of Casualty & Surety Underwriters, and Mrs. Thomas Watters, Jr., New York.



Superintendent Lloyd and Walter A. Robinson, actuary of the Ohio insurance department, at a session of the National Association of Insurance Commissioners in New York.

American Names New Loss Chiefs in the West

DeWitt Barningham has been appointed general adjuster for American operating out of the western department at Rockford, Ill. He will handle adjustments in the vicinity of Rockford and will be available for unusual claims anywhere in the western territory. Heretofore he has been assistant superintendent of the loss department.

Harold S. Cutting has been appointed supervisor of the loss department. He has been connected with American's western department for more than 20 years, and lately has been assistant superintendent of the farm department.

Denman Kountze in New Enterprise

Articles of incorporation have been filed in Nebraska by the Midland Underwriters, Inc., of Omaha, operated by Denman Kountze, Kenneth S. Finlayson and Alexander McKie, Jr. Capital stock is \$25,000, and the agency is authorized to write all types of insurance. Mr. Kountze until recently was associated in the general agency business in Omaha with John K. Morrison, operating as Morrison & Kountze.

G. W. Senn Heads Nominators

George W. Senn has been named chairman of a committee of the Toledo Association of Insurance Agents to nominate officers and directors for 1941.

W. D. Stubblefield, Jr., of the Heilbron & Stubblefield agency, San Antonio, has reported to Brownsville, Tex., as a first lieutenant in the Texas national guard.

A card party was given by the Minneapolis Insurance Women's Association.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Dec. 9, 1940.

| | Par | Div. | Bid | Asked |
|----------------------|-------|---------|--------|--------|
| Aetna Cas. | 10 | 5.00* | 125 | 131 |
| Aetna Fire | 10 | 1.80* | 53 1/2 | 55 1/2 |
| Aetna Life | 10 | 1.40* | 28 1/2 | 30 1/2 |
| Agricultural | 25 | 3.25* | 77 | 82 |
| Amer. Alliance | 10 | 1.20* | 22 1/2 | 24 |
| Amer. Equitable .. | 5 | 1.00 | 18 1/2 | 20 1/2 |
| Amer. Home | 10 | ... | 5 | 6 |
| Amer. (N. J.) ... | 2.50 | .80* | 13 | 14 1/2 |
| Amer. Surety | 25 | 2.50 | 49 | 52 |
| Automobile | 10 | 1.40* | 38 | 41 |
| Balt. Amer. | 2.50 | .40* | 7 1/2 | 8 1/2 |
| Bankers & Ship. .. | 25 | 5.00 | 100 | 104 |
| Boston | 100 | 21.00* | 620 | 640 |
| Camden Fire | 5 | 1.00 | 21 | 22 1/2 |
| Carolina | 10 | 1.30 | 28 | 30 |
| Contl. Cas. | 5 | 1.50* | 34 1/2 | 36 |
| Contl. N. Y. | 2.50 | 2.00* | 39 | 41 |
| Fidelity-Phen. ... | 2.50 | 2.00* | 39 | 41 |
| Fire Assn. | 10 | 2.50* | 68 | 71 |
| Firemens (N.J.) .. | 5 | .40 | 9 | 10 1/2 |
| Franklin Fire ... | 5 | 1.40* | 31 | 33 1/2 |
| Gen. Reinsur. ... | 5 | 2.00 | 39 1/2 | 41 |
| Georgia Home ... | 10 | 1.20* | 24 | 27 |
| Globe & Repub. ... | 5 | 1.60 | 45 1/2 | 47 1/2 |
| Globe & Repub. ... | 5 | .50 | 9 | 10 |
| Gt. Amer. Fire ... | 5 | 1.20* | 27 1/2 | 29 |
| Gt. Amer. Ind. ... | 1 | .20 | 10 | 12 |
| Halifax | 10 | 1.00** | 12 | 13 1/2 |
| Hanover Fire ... | 10 | 1.20 | 26 1/2 | 28 1/2 |
| Hartford Fire ... | 10 | 2.50* | 88 | 91 |
| Home Fire Sec. ... | 10 | ... | 1 1/2 | 2 1/2 |
| Home (N. Y.) ... | 5 | 1.60* | 32 1/2 | 33 1/2 |
| Home Indem. | 5 | ... | 11 | ... |
| Ins. Co. of N. A. .. | 10 | 2.50* | 71 | 73 |
| Maryland Cas. ... | 1 | ... | 1 1/2 | 2 1/2 |
| Mass. Bonding ... | 12.50 | 3.50 | 62 | 64 |
| Mer. (N.Y.) Com. .. | 5 | 2.00* | 45 1/2 | 48 1/2 |
| Natl. Cas. | 10 | 1.00 | 26 | 28 |
| Natl. Fire | 10 | 2.00 | 63 | 65 |
| Natl. Liberty ... | 2 | .40* | 7 1/2 | 8 1/2 |
| Natl. Un. Fire ... | 20 | 5.00* | 150 | 154 |
| New Amst. Cas. ... | 2 | .77 1/2 | 17 1/2 | 18 1/2 |
| New Hampshire ... | 10 | 1.80* | 45 1/2 | 47 1/2 |
| Northern (N.Y.) .. | 12.50 | 5.00* | 104 | 108 |
| N. W. Natl. | 25 | 5.00 | 125 | 130 |
| Ohio Cas. | 5 | 1.20* | 35 | 37 |
| Phoenix, Conn. ... | 10 | 3.00* | 89 | 92 |
| Preferred Acct. ... | 5 | .80 | 12 1/2 | 13 1/2 |
| Prov. Wash. | 10 | 1.40* | 34 1/2 | 36 1/2 |
| St. Paul F. & M. .. | 62.50 | 8.00 | 244 | 254 |
| Security, Conn. ... | 10 | 1.40 | 35 1/2 | 37 |
| Sprfld. F. & M. ... | 25 | 4.75* | 120 | 125 |
| Travelers | 100 | 16.00 | 415 | 430 |
| U. S. Fire | 4 | 2.00 | 50 | 52 |
| U. S. F. & G. ... | 2 | 1.00 | 22 | 23 |

*Includes extra. **Canadian funds.

Broome Co. Eyes Self Insurance

Sentiment in favor of setting up a self-insurance scheme for fire insurance for the properties of Broome county, N. Y. (Binghamton), developed when the question of whether to insure county properties on a three or five year term basis was raised. Some of the officials felt that special legislation should be sought to permit such a step to be taken. The county is now spending about \$3,000 in fire insurance premiums. The suggestion was made that the county seek the aid of the New York State Association of Municipal Self Insurers.

F. C. McAuliffe, chief of the fire insurance patrol Chicago Board, attended the patrol committee meeting for the first time in several months. He is back in the office after an extended illness.

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MIDDLE WESTERN STATES

Michigan Checks on Agency Practices

LANSING, MICH.—Replies received by the Michigan department to questionnaires sent out to the companies to learn their general policies in appointment of agents have been returned in sufficient volume to give Commissioner Emery and Seth Burwell, licensing division chief, a fairly complete picture of the situation. Some of the companies frankly admitted practices regarded by the department as actual violations of Michigan laws and many others operate on a basis which the department does not view as altogether satisfactory.

The department sent out 350 questionnaires of which 324 have been returned. Agents are also being questioned, particularly those in the Detroit area where there have been extensive complaints regarding part-timers' activities, illegal brokering, and other questionable activities. It is hoped to frame definite codes to coordinate the ideas of the supervisory authorities and of the business itself as to the best methods of maintaining good conditions in the field.

Approximately 14 percent of the companies replying admit acceptance of business on a brokerage basis from agents not licensed to represent them, such business being handled through home or branch offices. Since Michigan insurance laws do not permit brokering except under exceptional conditions and with departmental approval, it appears that some corrective action will be taken.

Approximately one-third of the companies provide applicants for licenses with supplies prior to their actual licensing by the department.

On assistance to first-time applicants replies show 20 percent have no assistance plan, about 30 percent leave this matter to the general or district agents or managers, some 22 percent provide assistance through the home office and about 28 percent provide booklets containing sample examination questions.

Question on Part-Timers

Approximately 19 percent deny licenses to part-timers. Another 15 percent confine such licensing to small towns, about 21 percent have no restrictions, and 45 percent pursue varying practices.

About 8 percent have a limitation as to the period an agent may remain on a part-time basis, ranging from six to 24 months.

About 25 percent fix a minimum amount of business to be produced by an agent if his license is to be continued.

The majority rely on an applicant's reputation and indicated ability as the chief pre-requisites to an agency appointment. Only about 20 percent make application for licenses until their investigations have been completed.

Few authorize appointment of solicitors in the agency contract terms.

Some 30 percent hold the business of unlicensed producers in a suspense file pending actual issuance of authorization by the department.

All companies answering the questionnaire have declared they do not require that any branch office, state or special agent appoint any specific number of representatives in this state during a given period of time.

E. F. Andren Is Gary President

E. F. Andren was elected president of the Gary (Ind.) Insurance Board at the annual meeting. Miss Katherine Patton

is vice-president; Miss Mary A. Kent, secretary, and John A. Philpin, treasurer.

Detroit Association Adopts Increased Dues Schedule

DETROIT—At its last meeting the Detroit Association of Insurance Agents adopted a new budgetary plan calling for dues based on agency premium volume, which is designed to increase the funds available for association use by about 40 percent over the 1940 figure, Elmer Salzman, executive secretary, estimates.

The plan was adopted as presented by the finance and budget committee headed by C. G. Waldo, Bosquet & Co. President D. F. Marantette, Detroit Insurance Agency, appointed a nominating committee headed by W. S. Halla, Kelly-Halla-Peacock agency, to report on candidates for the directors at the annual meeting. Directors in turn will select the officers.

A safety committee will be named to plan an advertising campaign for accident prevention and public safety. A resolution was adopted urging members of the Detroit Board to affiliate with the Michigan Association of Insurance Agents and thus automatically to become members of the National association.

Seek Minnesota Fireworks Ban

ST. PAUL—A state-wide ban on the sale of fireworks in Minnesota will be asked of the legislature in January, it was decided at the legislative conference of the League of Minnesota Municipalities. The bill also has the backing and active support of the junior chamber of commerce.

The league also recommended strengthening the safety responsibility act by making it conform to the recommendations of the national conference on street and highway safety, particularly as to the requirement for satisfaction of judgments arising out of automobile accidents. The league endorsed the Minnesota Safety Council's recommendation for examination of applicants for new drivers' licenses and a requirement for biennial renewal of all drivers' licenses to finance the cost of examinations.

Department Opens Detroit Office

The Michigan department has opened a branch office in the American Life building, 408 West Fort street, Detroit, to look after the part-time agent situation in the metropolitan area. Seth E. Burwell, in charge of the licensing division of the department, is in charge, with Ray Desautels assisting.

Mr. Burwell believes many of the part-timers in Detroit will be absorbed in other lines with the rising tide of national defense activity and therefore will not attempt to renew their licenses Jan. 1.

Remove Farm Bureau Bar

COLUMBUS, O.—Several years ago the attorney-general issued an informal opinion that the purchase of Farm Bureau insurance by political subdivisions, some of whose directors are members of the Farm Bureau, was illegal, for the reason that on every unit of coverage written by the Farm Bureau Mutual credit was given to the local farm bureau of a specified percentage. It is now understood that the Ohio bureau of inspection and supervision of public offices has received information from Farm Bureau Mutual that the allowance to the local bureaus for business written in

their districts was discontinued nearly a year ago. The bureau of inspection has taken the position that since these credits have been discontinued political subdivisions on whose boards are Farm Bureau members are not now prevented from purchasing insurance from Farm Bureau Mutual. The ruling that political subdivisions may not pay a membership fee is still in effect.

H. C. Carr to Los Angeles

Harry C. Carr, for the past three years head of the Carr insurance agency, Newton, Ia., will move to Los Angeles to become California state manager for the Lutheran Mutual Life.

Plan Minnesota Mid-year Meet

ST. PAUL—Plans for the mid-year meeting of the Minnesota Association of Insurance Agents here March 5-6 were discussed at a meeting of the committee in charge. As in other years it will be entirely educational. E. F. Westrum, Albert Lea, is chairman, assisted by Henry Orme, St. Paul; Roy Mitchell, South St. Paul; Guy Rolien, Milaca; William Dahl and L. E. Hatlestad, Minneapolis, and Francis McGovern, Rochester.

Arthur A. Hirman, state president; Roy Engberg, chairman state executive committee, and J. M. Hannaford, Jr., chairman of the national program committee, sat in with the committee.

Agency Publishes House Organ

CINCINNATI—The "Eureka-Security News" is the title of a new house organ of the Eureka-Security agency. It will be published twice a month. The agency now has over 50 solicitors. Some changes in work assignment have been made in the agency in order to facilitate and expedite the issuing of policies. F. C. Pearman is office manager, in charge of underwriting; A. D. Kennedy is in charge of losses, and Helen Arand in charge of policy issuing.

Business Interruption Is Topic

ST. PAUL—Business interruption insurance was discussed by G. C. Maxwell, special agent, before the Insurance Exchange of St. Paul. He stressed the possibilities of increased agency income from this source. Because of the absence of some of the sponsors of the plan, the proposed change in the by-laws to reduce membership cost from \$500 to \$100 was deferred until the next meeting.

Fitch Heads Terre Haute Board

At the annual meeting of the Terre Haute (Ind.) Insurance Board Harry E. Fitch was named president; LeRoy Allen, vice-president, and Fred G. Kramer, secretary. Directors are R. P. Gillum, L. A. Linderman, J. P. McKibben, R. A. Noe and J. L. Pfister. Carl Miller is retiring president.

K. C. Association Has Open House

KANSAS CITY—The Kansas City Agents Association and its officers, headed by Fred V. Griffith, president and treasurer, held open house in the organization's new quarters at 403 Insurance Exchange building. The new offices are larger and more attractively furnished than the old ones.

Would Improve Farm Coverage

MINNEAPOLIS—Refinement of farm insurance rates so as to give credit for modern construction will be sought by the rural agents committee of the Minnesota Association of Insurance Agents, as a result of a suggestion made at the annual meeting in Duluth by President A. A. Hirman. Mr. Hirman, whose entire agency experience has been in rural territory, believes stock companies must do something new if

they are to increase or even retain their farm volume. One of his suggestions was that farm property be rated as to hazards and this will be one of the objectives of the committee the coming year.

Other objectives will be standardizing of fire and tornado forms, changes in the vacancy permit and simplifying and combining the coverage on personal property. The committee is to compile information on forms and rates in other W. U. A. states and in California.

Boosts Mo. Qualification Bill

KANSAS CITY—A plea for active support of the proposed Missouri agents qualification bill, now being developed by various agency groups in cooperation with the Missouri department, was made by George W. Crowley, Jr., who is in the brokers' division of the insurance department, at a meeting of the executive committee of the Kansas City Insurance Agents Association.

He pointed out some of the difficulties the department faces in connection with brokers and brokers' licenses under the present laws.

Insurance Playing Its Part

INDIANAPOLIS—Dr. J. E. Hedges, professor of insurance at Indiana University, told the Mutual Insurance Club of Indianapolis that insurance is playing its part in the national defense program by writing war risk, strike, explosion, civil commotion and sabotage insurance.

"The government already has legislative authority to take over marine insurance," he said, "and additional authority is certain to be forthcoming wherever and to the extent that the insurance industry fails to assume its full responsibility."

Apartment Owners Hear Coffin

INDIANAPOLIS—The system of private enterprise by which the United States has risen to a position of world leadership is being undermined by the consumer cooperative movement, Ross E. Coffin, state agent Boston, Old Colony and Eagle Star, told the Apartment Owners Association of Indianapolis.

"No intelligent person would claim that the profit system is without faults, or that it has not been abused to some extent," he said, "but nothing in this world is perfect and we can find neither sense nor reason in the claims of those who would completely destroy or replace the profit system, rather than to correct such relatively minor deficiencies as have been demonstrated by actual experience."

Credit Man Speaks in Iowa

CEDAR RAPIDS, IA.—E. B. Moran, National Association of Credit Men, Chicago, spoke at a dinner meeting of the Cedar Rapids Association of Insurance Agents. Members of the Cedar Rapids Women's Insurance Club and associations were guests.

Seek to Plug Tax Loopholes

DES MOINES—A bill is expected to be introduced in the Iowa legislature aimed at plugging loopholes in taxation of insurance premiums. It would be principally aimed at reciprocals. The legislature convenes Jan. 13.

Change Iowa Short Rate Table

DES MOINES—The Iowa department is planning on revising the new short rate table for casualty companies for the term policies in force more than one year. The department issued a new short rate table for both fire and casualty companies effective Dec. 1.

Revision of the table for casualty companies was believed necessary because of the difference in annual rates. No changes would be made in the one-

year table, but term policies in force more than one year would be changed to make the percentage to be retained by the companies the same under fire and casualty policies.

Metcalfe Reelected in St. Louis

ST. LOUIS—G. S. Metcalfe, secretary Strodtman & Strodtman Real Estate Company, was reelected president of the Associated Fire Insurance Agents & Brokers of St. Louis at the annual meeting.

Other officers are: Vice-president, William Rodiek, Jr.; secretary, Frank Alt-mayer; treasurer, R. E. Doerflinger; directors, J. L. Heinrich, Jr., John E. Milne, C. H. Bowersox, Eugene Brinkop, W. H. Finke and William Haase.

Consider School Insurance

MINNEAPOLIS—Public school insurance in Minneapolis was discussed at the quarterly meeting of the Minneapolis Underwriters Association. An educational program for members also was considered. P. H. Ware, who retired Dec. 1 as manager of the association, is chairman of the educational committee.

NEWS NOTES

J. E. Riddle, general adjuster in the Des Moines office of the Western Adjustment, has been moved to his home from the hospital and is reported as rapidly recovering from his recent illness.

L. W. DeYong, Kansas City broker, a major in the anti-aircraft corps of the coast artillery reserve, has been ordered to active duty at Omaha.

C. M. Allen of the L. W. Bauerle agency and H. C. Brady of the Swope-Brady agency were elected directors of the Wichita Real Estate Board. R. L. Burns of Harris, Burns & Co. is a hold-over member.

Denzil Lowe, office manager of the Wade Patton agency, Hutchinson, Kans., has resigned preparatory to being called to the colors as an officer in the field artillery.

Henry York, Wichita local agent, has been named secretary of the North Wichita Business Men's Association.

The approaching marriage of Miss Marjorie Montgomery, daughter of G. M. Montgomery, Wichita manager of Western Adjustment, to Robert Bills of Mattoon, Ill., has been announced.

Two motion pictures were shown at the meeting of the Mutual Insurance Club of Columbus. A nominating committee was named for the election in January.

The Racine, Wis., council is seeking a rerating from Class 4 to Class 3.

D. J. Weeks, Milwaukee, adjuster in the Wisconsin supervising office of the Home, is convalescing following an emergency operation for appendicitis.

Moving pictures of Minnesota's champion football team provided the entertainment at the meeting of the Insurance Club of Minneapolis. The program was sponsored by the Northwestern Fire & Marine and the Twin City Fire, with F. P. Weld of those companies as program chairman.

A round table discussion on insurance management took the place of a scheduled speaker at the Dec. 11 dinner meeting of the Insurance Buyers Association of Minnesota in Minneapolis.

Miss Marjorie Wilson, Meade Investment Co., was elected president of the Topeka Association of Insurance Women at the annual meeting. Miss Margaret Lodge, C. G. Blakely agency, is vice-president; Mrs. Edna Goss, assistant secretary Kansas Fire Underwriters Association, secretary; Miss Ann Hurt, Hussey Insurance Agency, treasurer. Directors are Mrs. Ruth Major, Brier Insurance Agency; Mrs. Grace Buck, A. A. Rodgers Investment Co., and Miss Marie Eresch, Hartford Fire.

Shipp & Osborn, Newburgh, N. Y., were fittingly honored for having represented the Pennsylvania Fire continuously since 1880.

IN THE SOUTHERN STATES

South Carolina Association Has Five Regional Rallies

COLUMBIA, S. C.—H. A. Brown, manager South Carolina Association of Insurance Agents, reports good attendance and more than satisfactory success for the series of regional meetings held over the state in cooperation with the South Carolina Field Men's Conference. The five meetings were held on successive days at Greenwood, Spartanburg, Columbia, Charleston and Florence.

C. C. Cromwell, Atlanta, general adjuster Hartford Fire, and S. P. Clark, Richmond, regional manager Royal-Liverpool groups, spoke at each meeting. Mr. Cromwell on "The Pitfalls of Misused Contracts" and Mr. Clark on "How to Meet Competition."

J. B. Carter, Charlotte, N. C., Carolinas agent Phoenix of Hartford, spoke at Greenwood and Spartanburg on "Why I Lost the Sale." In Columbia, Ashley Tobias, Jr., of this city, general counsel in this state for the National Board, told of legislative problems. At Charleston, B. A. Moore, attorney for several casualty companies, told of the part the agent plays in the casualty business. J. A. Carruth of Charlotte, Carolinas manager of Home and president Southeastern Hail Conference, spoke at Florence on hail insurance losses and rates.

Agents in charge of each meeting were: Greenwood, Wilson Peebles, Abbeville; Spartanburg, L. A. Grier; Columbia, Fred Swaffield, Jr.; Charleston, Fletcher Carter, Jr.; Florence, T. R. Miller. About 225 agents attended the five meetings.

Fallen Building Clause Applies to Rent Cover

The fallen building clause is applicable to insurance covering loss of rents, the Georgia supreme court has decided in Aetna Fire vs. Martin et al. It was established that a tornado caused a considerable portion of the building to fall and that subsequently a fire occurred. The insurance was written in the form of a rider to the standard fire policy. The court held that the real subject matter of the contract was the building itself, since rents to become due in the future could not in themselves be insured against fire. It would be in contemplation to damage to building by fire that the protection would come into ex-

istence. The policy is, therefore, construed as providing insurance on the building but with a limitation to liability for loss of rent due to an untenable condition.

Extensive Rate Cuts Are Made in Oklahoma

Extensive rate reductions have now become effective in Oklahoma. There is a new dwelling schedule with a reduction of 2 cents in rates for one and two family brick dwellings, boarding and rooming houses in towns of classes 1-8. There is a 2 cent reduction in towns of classes 9-10 for brick buildings, dwellings and apartment houses up to 20 families.

The dwelling extended cover rate has been reduced 2 cents and the wind rate for one and two family dwellings has been cut 2 cents.

There is a 20 percent reduction on oil refineries, oil tanks, and stills, gasoline plants, excluding flat rated risks such as auto filling stations, natural gas pumping stations and oil distributing stations.

The published fire rates dated prior to Dec. 1, 1939, for all risks with specified exceptions are reduced by these percentages: fire policies with effective date after Dec. 1, 1940, brick buildings deduct 13 percent, contents 10 percent; frame buildings and contents deduct 8 percent. The exceptions include dwellings, farm properties, funeral homes, fireproof buildings and contents, abstract risks and most special hazard risks that are treated under special schedules.

Plan School, Set Dates for Tennessee Annual Meet

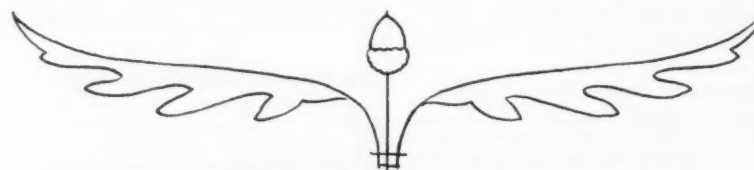
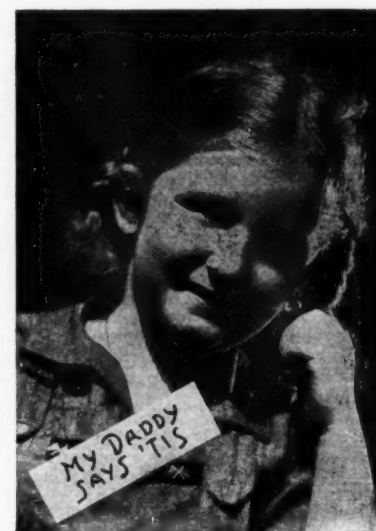
NASHVILLE—Directors of the Tennessee Association of Insurance Agents at a quarterly meeting here in the office of Secretary R. T. Cawthon approved plans for a short-course agents' school and set June 26-27 as the date of the 1941 annual meeting in Johnson City.

L. P. McCord, Jacksonville, Fla., educational chairman National Association, discussed the proposed school. The plan adopted is the one used by Mr. McCord in Florida and he has been requested by the directors to select the courses and the instructors. A committee composed of President W. M. Harris, Mr. Cawthon, W. S. Keese, Jr., and Herbert Spencer went to Knoxville to make arrangements for the school to be held at



NATIONAL UNION

FIRE INSURANCE
COMPANY
PITTSBURGH
PA.

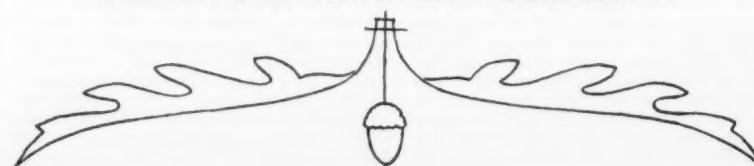


THE SCION OF A STURDY FAMILY

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**CHARTER OAK FIRE
INSURANCE COMPANY**

~HARTFORD, CONNECTICUT.~

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A

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the University of Tennessee. The date will be decided later.

Secretary Cawthon reported to the directors that he has visited every member of the association since last July except two or three in isolated localities. He reported 14 new members. Treasurer Dorian Clark reported association finances in good condition.

Make New Rates Available

KNOXVILLE, TENN.—Knowing that some local agents are sure to offer their policyholders the privilege of cancelling and renewing their fire insurance policies under the new Class 3 rates which soon go into effect here, the 27 members of the Knoxville Insurance Exchange have published a notice offering the privilege to all policyholders, thus making the rates practically retroactive. Edward Fowler is president of the exchange.

Gregory Cited by Florida Agents

TAMPA, FLA.—The Florida Insurance Agents Association is honoring special agents who secure new members for the state body. Secretary A. C. Eifer cites for this honor in November W. O. Gregory, state agent of Hines Bros., Jacksonville.

Apply "In-or-Out" to Casualty

OKLAHOMA CITY—The Oklahoma City Insurers Exchange voted to extend the application of the in-or-out rule to casualty and surety as well as fire companies, effective immediately. R. M. Miller, manager Oklahoma Audit Bureau, explained new changes in rates.

Three Mondays of each month the exchange will hold luncheon meetings for discussion of local problems. The fourth meeting will be in the evening, when an educational program will be presented. At the first evening session, P. J. Slater, America Fore, assisted by a group of field men, presented the same quiz program that they gave at the mid-year meeting of the Oklahoma Association of Insurers at Tulsa. The next educational program will be a similar quiz on casualty and surety.

Report on Alabama State Fund

BIRMINGHAM, ALA.—The Alabama insurance fund showed a profit of \$46,359 for the fiscal year ending Sept. 30, despite fire and windstorm losses to state-owned buildings totaling \$259,241. A. R. Forsyth, state finance director, reported to Governor Frank Dixon.

Of the 4,442 state-owned buildings insured, valued at \$53,350,275, 34 were destroyed by fire and numerous others damaged by windstorms during the year. There were 69 school fires, with losses of \$232,017.

The state insurance fund of \$100,000 was established in 1923 and since then has built up a surplus of \$459,503, the report says. Through it the state insures most of its properties, covering the remainder with private companies.

Savings totaling \$2,077,840 for the 17 years the fund has been in existence are claimed. Mr. Forsyth said this "has been accomplished by eliminating the acquisition cost and other expense indispensable to commercial insurance."

St. Petersburg Follows Jacksonville

TAMPA, FLA.—At its November meeting the St. Petersburg Insurers Exchange declared the member agency of Travelers in violation of the rules of the St. Petersburg exchange. This reaffirms action taken in September following a state association resolution that Travelers was out of line with the agency system in maintaining a production branch at Jacksonville.

List Richmond School Speakers

RICHMOND—T. A. Fleming, National Board director of conservation, will talk on "Fire Prevention" Dec. 16 before the fire insurance school at the University of Richmond sponsored by the Virginia Association of Insurance Agents, Stock Fire Insurance Field Club

of Virginia and Richmond local board in cooperation with the business administration school of the university.

F. S. Dauwalter, assistant manager National Board, spoke last week, outlining the functions of the board and its service to the public. E. S. Hale, manager loss department American of Newark, will discuss losses and adjustments Jan. 13. Gordon Bohannon of Petersburg, attorney for the Virginia rating bureau, will discuss the law of agencies Jan. 20.

Marshall Exchange Holds School

The Marshall (Tex.) Insurance Exchange is sponsoring a school of instruction for employees of member agencies, with the opening meeting Dec. 16. At the organization meeting John Brownrigg, president of the exchange, introduced Elbert Henn, Liverpool & London & Globe, who will conduct the school.

La. Fire Marshal to Move

NEW ORLEANS—The state fire marshal's office will be moved to Baton Rouge Jan. 1 under the state reorganization plan, approved by a popular vote as an amendment to the state constitution.

State Fire Marshal C. P. Fournet and all but two deputy fire marshals will move to the capitol building.

West Addresses Local Boards

O. H. West, manager Virginia Association of Insurance Agents, talked before the local board in Fredericksburg of that city and other agents in the vicinity Dec. 11. He is scheduled to talk before the Danville board Dec. 13 and the Bristol board Dec. 16, discussing association activities and matters of vital importance to capital stock fire insurance in Virginia. Following the Bristol meeting he plans to spend a week visiting agents in southwest Virginia.

New Ky. Farm Schedule

A new Kentucky farm schedule became effective Dec. 9. There is a reduction of about 20 percent in connection with the one year cash rate and a reduction of about 7 percent in connection with the five year installment rate.

A new credit is provided in the schedule for heating plants that replace all heating stoves in dwellings. The reduction amounts to 5 cents in the one year cash rate, 10 cents in the three year cash rate and 20 cents in the five year cash rate. The reduction is 25 cents for the five year installment rate.

New credits are provided for incubators and brooders electrically heated. The charge is about one-half of that for other types of incubators and brooders.

Sinclair Opens New Quarters

NEW ORLEANS—The Travelers companies and the Sinclair Agency are now located in the Union Building in new and spacious offices. Nearly 1,000 persons attended a reception as guests of F. W. Sinclair, president. Mr. Sinclair came here from Birmingham, Ala., 32 years ago and opened offices. Today the agency covers Louisiana and part of Mississippi.

Educational Rallies in Texas

The Texas Association of Insurance Agents is completing its fall series of 13 sales educational meetings. There will be a session at Mineral Wells Thursday, Brownwood Friday, Port Arthur next Wednesday and McAllen the next day. The meetings start at 10 a.m. and adjourn at four. The speakers include M. B. Elbert, D. J. Gladwin, J. R. McAuliffe, J. R. Plummer, G. R. La-Master, M. D. George, W. P. Nabors, H. I. Schweppe, R. L. Marvin, Oscar Finlay, Raymond Hulsey, S. A. Dunn, and Harry Hallam.

Carol Clarke, daughter of E. W. Clarke of the Gardner-Clarke & Sullivan agency, president of the Oklahoma City Insurers Exchange, will be married Dec. 26 to W. M. Harrison, Jr., of Denver.

PACIFIC COAST AND MOUNTAIN

Colorado Directors Approve "Guiding Principles" Plan

LA JUNTA, COLO.—Meeting here as guests of the Arkansas Valley Association of Insurance Agents, the directors of the Colorado Association of Insurance Agents laid plans for the adoption of a "declaration of guiding principles" similar to that of the California association and discussed other important matters.

Reporting as chairman of the special committee appointed at the annual convention in September, Harold Koster of Salida expressed his confidence in the practicability of an application of the California plan and urged that the group work toward its adoption. A tentative setup was worked out and will shortly be sent to all members for their approval.

With the hope of eventually gaining for members a 25 percent flat commission, which would represent a 2½ percent increase over the present average scale, the board discussed briefly the "Florida commission plan," but passed over until the next meeting a final discussion on the subject. The group plans to hold another conference shortly after the first of the year.

Charles Schoelzel was named to select a list of agents who can contact state senators and representatives.

A proposal for a resolution supporting the National association in its failure to approve the NAUA automobile finance plan also was tabled for future consideration.

The La Junta meeting was the second of a series of good-will visits by the directors to various parts of the state. Earlier in the week the board visited Greeley, Colo., and assisted in the formation of a new Weld County Association of Insurance Agents. The new association will hold its first formal meeting shortly to name officers and set up a constitution and by-laws.

Idaho Rating Change Asked

BOISE, IDA.—Several amendments to Idaho insurance laws are recommended by Insurance Director Walrath, in his report to Governor Bottolfsen. An amendment to the rating bureau law is urged to give the bureau positive jurisdiction over rules of writing fire insurance as well as rates.

Recommendations include provisions for a full-time company examiner, placing insurance brokers under the same restrictions as agents, publication of in-



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He is not your competitor, but instead, as a good neighbor, is always ready to help YOU as a LOCAL AGENT. He covers his territory thoroughly, is familiar with local conditions, and invites you to call upon him for cooperation or assistance.

ARKANSAS

Coates & Raines, Inc.
Little Rock

L. B. Leigh & Co.
Little Rock

COLORADO

Braerton, Simonton, Brown, Inc.
527 Gas & Electric Bldg.
Denver

Daly General Agency, Inc.
Established 1923
Capital Life Building
Denver
Colorado—Wyoming—New Mexico

Ritter-Monaghan General Agents

FIRE—SURETY—CASUALTY
955-62 Gas & Electric Building
Phone Cherry 7451
Denver, Colorado
Colorado—Wyoming—New Mexico—Utah

KANSAS

Kansas Underwriters
Wichita
Kansas—Oklahoma—Missouri

KENTUCKY

Bradshaw & Weil Gen. Agcy. Co., Inc.
Louisville

MISSOURI

T. W. Garrett, Jr., Gen. Agcy. Inc.
City Bank Bldg.
Kansas City, Mo.
Missouri, Kansas, Oklahoma, Texas, Illinois, Tennessee, Mississippi

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

• Know the General Agent in your locality. Write the office nearest you.

Executive Trio of New Great American Office



HERBERT RYMAN

The new Pacific Coast department of Great American has now been constituted with Herbert Ryman as manager and E. D. Petrie and Percy P. Lynch as assistant managers.

Heretofore Great American and Phoenix of Hartford have operated a joint



Percy P. Lynch



E. D. Petrie

department at San Francisco. Mr. Ryman, who has been a secretary of Great American for the past five years, has been on the coast since last spring in anticipation of the change.

Mr. Lynch is an assistant secretary of the company and has been located at the home office until he was transferred to the coast some weeks ago.

Mr. Petrie is a veteran of the Great American-Phoenix office in San Francisco.

insurance laws, and the elimination of the biennial report as annual reports published contain similar information. The inclusion of life agents under provisions of the agents' qualification act with exception they need not qualify for residence within the state, is suggested.

All the recommendations have been approved by an insurance laws committee, appointed by the governor last June, whose membership represents every type of insurance sold in Idaho.

San Francisco Christmas Parties

SAN FRANCISCO—The annual series of Christmas luncheons and par-

ties started Dec. 6 with that of the Junior Surety Association of Northern California. Others scheduled are: Dec. 12, San Francisco Insurance Women's League; Dec. 13, Casualty Underwriters Club; Dec. 18, Insurance Brokers Exchange, Insurance Accountants Association and the Casualty & Surety Claims Association; Dec. 23, San Francisco Blue Goose.

Security Executives on Coast

SAN FRANCISCO—A group of home office officials of the Security of New Haven, headed by P. J. Berry, president, are conducting a conference with company executives and special agents in the Pacific Coast territory, which commenced on Monday morning and continues until Friday. While in San Francisco the official group, which includes H. H. Erdmann, assistant secretary Connecticut Indemnity; F. Stuart Bankhardt, marine manager, and J. M. Shappell, special representative, are making their headquarters with E. V. Oliver, Pacific Coast manager.

Connolly Heads Exchange

SAN FRANCISCO—R. D. Connolly, long active in the Insurance Brokers Exchange of San Francisco and first vice-president the past year, was elected president at the annual meeting. R. D. Blake, second vice-president, was advanced to succeed Mr. Connolly, and G. W. Jones, Jr., was elected second vice-president. W. E. Bouton, E. Pym Jones and D. B. Wentworth were elected on the board of governors and George Czingier and W. A. Ullrich to the arbitration committee.

C. E. Gibbs, newly appointed executive secretary, who has already assumed his duties, was introduced at the meeting.

Brokers Society Elects

SAN FRANCISCO—At the annual meeting of the Society of Insurance Brokers Jack Okell and Gus H. Pollack were elected to the arbitration committee—the only official vacancies to be filled at the meeting.

Helms Made Forum President

SAN FRANCISCO—At its annual meeting the Fire Underwriters Forum of San Francisco elected J. H. Helms, Fireman's Fund, president; W. T. Seawell, Jr., Interstate Underwriters Board, secretary; R. C. Ainslee, Great American treasurer, and Henry Sanguinetti, Travelers, assistant secretary. W. L. Oxley, Springfield Fire & Marine, was elected a director. H. L. Melick, America Fore, becomes chairman of the board.

The meeting was held in conjunction with the Forum's annual banquet. H. P. North, Business Development Office, installed the new officers and S. L. Carpenter, Jr., manager Pacific Board, spoke on "Is Our Business Worth Defending?"

W. M. Mutch, Travelers Fire, founder of the forum and president since organization, presided.

Radio Broadcasting Opinion

Commissioner Camminetti of California has received an opinion from the attorney-general that radio stations located in California are forbidden to carry broadcasts of advertising of a non-admitted insurer even though the pro-

gram originates outside the state and is broadcast over a network.

New Colorado Code Ready

DENVER—The new Colorado insurance code is expected to be issued within the next few weeks. A few copies are already off the press but the books will not be released until the complete issue is printed. The statutes were annotated under the direction of J. G. Donaldson, former inheritance tax commissioner and applicant for the position of insurance commissioner.

Portland Exchange to Change

PORTLAND, ORE.—At a meeting of the Insurance Exchange of Portland, steps were taken to pave the way for changing the organization's name to the Portland Association of Insurance Agents, in line with the recommendation adopted by the National Association of Insurance Agents, seeking to standardize the names of all local associations.

Ore. Executive Committee Meets

PORTLAND, ORE.—The chairman of the executive committee of the Oregon Insurance Agents association has called a meeting of the committee here Dec. 14. The association has announced its intention to withdraw its designation of the "Northwest Agency Bulletin," Seattle, as official organ of the Oregon association and plans to transfer it to the "Northwest Insurance News."

Brown with Reed & Co.

DENVER—Frank Brown, formerly with the Fire Companies Adjustment Bureau and later with Fred Henkel, independent adjuster, has joined Reed & Co., general agents, as manager of the loss department.

Colridge Starts 12th Term

SAN FRANCISCO—Frank Colridge has been reappointed executive secretary of the California Association of Insurance Agents for the 12th consecutive year. The association has made outstanding progress under his guidance. From a negligible membership the association has for several years led every other state association in membership and has inaugurated numerous beneficial plans including declaration of guiding principles.

NEWS BRIEFS

At a meeting of the Seattle Blanket Club, Ralph H. Hall, special agent D. F. Broderick, Inc., was guest speaker.

Russell Countryman, Pacific Coast manager of Norwich Union, has returned to San Francisco after a visit to Chicago.

Hugo M. Burgwald, Los Angeles local agent, has been elected a director



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of the Merchants & Manufacturers Association. He is just completing his term as president of the association.

W. J. Taylor has purchased the M. T. Keefe agency, Cheyenne, Wyo., and will continue it under the original name. He is a son-in-law of Mr. Keefe, now deceased. He was formerly with the F. B. I.

The Citizens Fund Mutual Fire of Red Wing, Minn., has been admitted to Colorado with Max Day of Pueblo as general agent.

Mrs. O. S. Warren, who in 1882 established the first general insurance agency in Silver City, N. M., has again embarked in the insurance business there.

EAST

Change N. J. Mid-year Date; Convention Features Listed

NEWARK—The date of the New Jersey Association of Underwriters mid-year meeting has been changed from March 12-13 to 13-14, at the Berkeley-Carteret Hotel, Asbury Park. Membership of the New Jersey association is now 865, the largest since its inception. It is hoped that it will reach the 900 mark before the mid-year meeting. G. E. Jamison, president Essex County Insurance Agents Association, is chairman of the membership committee.

One of the outstanding features of the meeting will be the testimonial which will be tendered to W. H. Bennett, general counsel National Association of Insurance Agents, who celebrated his 20th anniversary of service with the organization this year. The testimonial was delayed, as Mr. Bennett was unable to be present at the annual meeting of the New Jersey association.

The Newark Accident & Health Underwriters Association plans to hold a breakfast the morning of March 14, at which a prominent accident and health insurance speaker will talk, and will answer questions at the open meeting later. B. V. Cranston, Fidelity & Casualty, vice-president of the accident association, will have charge of the breakfast arrangements.

Trenton Insurance Streamlined

The board of education at Trenton, N. J., has agreed to purchase \$8,711,300 fire and extended coverage insurance at an annual cost of \$8,419. The board has been paying the same premium for \$3,771,400 heretofore. A survey was conducted by Walter F. Smith & Co., and M. W. Dickinson Company and W. S. Borden Company, local agents. A committee has been named to allot the insurance among agencies. The three agencies that made the survey ask 60 percent of the total.

Maryland Committees Named

BALTIMORE—Guy T. Warfield, Jr., president of the Maryland Association of Insurance Agents, has appointed his committees. Chairmen are: Accident prevention, P. D. Callum; brokerage rule, A. W. Hall; inter-association and membership relations, R. G. Bittle; legislative, T. B. Cash; budget and auditing, J. D. Lazenby; rural agents, E. C. Murray; short course, J. D. Lazenby.

The directors of the Maryland association held a meeting in Baltimore Dec. 11. The agenda included a discussion of the report of the legislative committee on proposed legislation to be presented at the coming session of the Maryland legislature.

Hudson County Christmas Party

The Christmas party of the Hudson County Insurance Agents Association was held in Union City, N. J. Agents from all sections of northern New Jersey and several officers of the New Jersey Association of Underwriters attended.

Harrington Talks on Supervision

BOSTON—The extent to which insurance itself continues to merit public

confidence in the efficiency and integrity of its management and representatives will determine the amount of control which governmental agencies will exercise over the business in the future, Commissioner Harrington told the Conference Club of Boston, composed of the younger office men in fire and casualty agencies.

T. C. McGuy Contest Winner

T. C. McGuy, assistant manager in Newark for Republic of Dallas, who supervises New Jersey, won the top prize that was offered in the production contest in honor of President A. F. Pillet.

Hess Agency Makes Assignment

The M. D. Hess Co. agency of Newark has made an assignment for the benefit of creditors. L. P. Kristeller has been appointed assignee. The agency formerly represented the Pearl American fleet, which now has its own office in Newark.

Rochester Elections Held

ROCHESTER, N. Y.—Samuel P. Connor, Jr., Amsden-Connor-Mills, Inc., has been reelected president of the Underwriters Board of Rochester. His agency is celebrating its 91st anniversary.

Philip C. Goodwin was elected vice-president. Robert M. Markin was reelected treasurer, and Louis Hawes was reelected secretary for the fifteenth consecutive term.

New directors are Arthur J. Bamann, Harold A. Pye, Mr. Goodwin, Thomas J. Ternan, Jr., Mrs. Christine Mabry, Wellington Potter, and Bert R. Hershberg. Mrs. Mabry is the first woman ever to be elected to the board.

The officers will be installed at the annual meeting Jan. 6.

Greater Coordination Needed

BOSTON—Greater coordination of various units in the insurance business was urged by President H. E. Moore of the Insurance Brokers Association of Massachusetts in his report at the annual meeting where he was reelected for his fifth term. He advocated the establishment of a major clearing house through which various organizations can operate. He criticized the dabblers in

the business and said too often brokers faced prospects who have a broader knowledge of insurance than the broker himself.

Mr. Moore commended the insurance commissioner for his work in raising the standards. He urged stricter educational requirements before brokers are granted licenses. He commended company organizations for consulting with brokers and agents associations before taking action on rate and commission changes.

Defer Buffalo Airport Cover

BUFFALO—Pending reinspection, to determine whether a lower rate can be obtained, the airport advisory committee deferred action on a proposal to recommend insurance coverage at the Buffalo airport.

The committee approved tentatively a recommendation that public liability insurance of \$100,000 be taken out. It was decided, however, to withhold this recommendation until a decision is reached on fire insurance.

It was explained that the proposed rates for fire coverage on the administration building, hangars and garage were based on an inspection made some time ago before conditions there were improved. The committee authorized Charles H. Wilson, president of the Wilson, Forster & McCall agency, to make the inspection at no charge to the city.

Wind Up Convention Affairs

BUFFALO—A final report on the convention of the National Association of Insurance Agents here featured the December meeting of the Buffalo Association of Fire Underwriters. Written reports from all sub-committees were submitted and accepted. Charles H. Tuke of Rochester was a guest.

NEWS BRIEFS

The annual meeting of the Associated Insurance Agents & Brokers, Inc., will be held in Boston Jan. 17.

Ralph Hinkley, Boston manager of the American of Newark, addressed the Rotary Club of Braintree, Mass.

Carroll K. Steele, of Gloucester, addressed the newly formed Middlesex Central local board at Lexington, speak-

ing for the Massachusetts Association of Insurance Agents.

CANADIAN

McLean to Be Secretary of New Inland Association

WINNIPEG—Wilson E. McLean, legislative counsel and assistant superintendent of insurance of Manitoba, has resigned and will go to Toronto to become secretary of the Canadian Inland Underwriters Association, recently organized to control inland marine business, which now has a membership of about 90 companies.

Mr. McLean has been legislative counsel of the province of Manitoba since 1934. He is now secretary of the Association of Superintendents of Insurance of Canada.

Demand for Air Raid Cover

Maritime ports, particularly in and around Halifax, N. S., and St. John, N. B., report an increasing demand for bombardment air raid insurance, due to recent raids on convoys between Newfoundland and England. Requests for



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this type of insurance have been received from industrial plants, hotels, theaters, banks, warehouses, etc.

Tells Union's Status in Canada

MONTREAL—A special circular letter to agents has been issued by J. P. A. Gagnon, Canadian manager of the Union of Paris, which shows assets in the Dominion of \$712,787, at the end of 1939, with liabilities at \$398,633, leaving a surplus in Canada for the protection of policyholders of \$314,154.

Its investments in the Dominion are made up of bonds of the provinces of Ontario and Quebec, the Canadian National Railway (guaranteed by the Canadian government), Credit Foncier, Franco-Canadien and a deposit of \$608,833 with the Dominion government, which is \$160,000 more than required by the Canadian department.

Mrs. A. H. S. Stead, wife of the manager of the Dominion Board, lost her life in a fire in their Montreal home.

MARINE

Personal Property Floater Routine in Fla. Studied

"The Insur-Agent," publication of the Florida Insurance Agents Association, reports that mechanics for the issuance of the all-risk personal property floater in Florida are now in process of being worked out. Commissioner Knott recently removed the restrictions that heretofore have surrounded the writing of the personal property floater in the state. Heretofore, the policy could not be written to include windstorm coverage nor to protect personal effects in the assured's place of residence. The Florida agents were at a disadvantage from competition of northern and eastern brokers who could include these coverages in policies issued in their home state on properties located in Florida.

Marvin D. Adams of Miami is chairman of the personal property floater policy committee of the Florida agents association. He is in charge of the duty of perfecting an arrangement between the I.M.U.A. and the Southeastern Underwriters Association whereby the rate structure for fire and tornado will be preserved. "The Insur-Agent" states that the suggestion has been made that personal property floater policy daily reports be transmitted through the Florida rating bureau's stamping office for checking of fire and tornado rates and that the marine coverage rates would be checked by the I.M.U.A.

Consider Mountain Field Inland Marine Proposal

DENVER—Frederic Williams, secretary of Rocky Mountain Fire Underwriters Association, has left for New York to meet with representatives of the Inland Marine Underwriters Association for discussion of the proposal to place inland marine business in the mountain field under the supervisory jurisdiction of his association.

This matter was brought up by the inland marine committee of the Mountain Field Club before the annual meeting of the supervisory committee of the Rocky Mountain Fire Underwriters Association. Under the plan proposed, the Rocky Mountain Fire Underwriters Association would act as a sort of enforcement and administrative agent in this territory for the Inland Marine Underwriters Association.

Sees Inland Marine Booming

KANSAS CITY—L. M. Baldwin, regional underwriter in the Travelers marine department, in charge of the mid-west, says inland marine business has been booming. This is due partly to better conditions, partly to the fact that underwriters, in devising simplified

forms with broader coverages, have a more marketable product for the agent to sell. He believes fire companies will end with a splendid year. The heartening factor is that the pickup began before the upward pressure of defense spending began to be felt by general business.

MOTOR

D. W. Florence Named Commercial Union Secretary

D. W. Florence has been appointed secretary of Commercial Union in charge of the automobile department. He was transferred to the head office in September, 1939, with the title of assistant secretary. Formerly he had been special agent in Texas.

Ohio May Get New Auto Plan

COLUMBUS, O.—The equity rating plan for automobile finance accounts adopted by the National Automobile Underwriters Association about two months ago and now in effect in certain eastern states will, it is understood, shortly be available in this state.

Disturbed by Equity Rating Plan

(CONTINUED FROM PAGE 3)

finance companies, and will probably get less due to the tendency of these companies to organize their own insurers, so activities of the N.A.U.A. will undoubtedly be pointed at getting business from banks.

Mr. Solomon declared that nearly all the troubles of finance companies started with the inauguration of the 6 percent plan by the "largest operator in the field" (General Motors Acceptance Corporation). The American Finance Conference is composed of independent companies, exclusive of the so-called "Big Three."

Loss Ratio a Problem

The rising loss ratio on finance business was also of great concern to those present. There were some complaints that the comprehensive policy has caused this, but the general sentiment was that collision losses are largely responsible. W. S. Mays, New York broker who handles a large volume of finance business, said that recent figures showed that 12 leading companies had a 40 percent loss ratio on ordinary automobile business and a 64 percent ratio on finance business. Several members emphasized the importance of safety work in keeping losses down, so as to protect the rates and commissions of finance companies and the loss ratios of those operating their own insurance companies. Various plans for checking loss ratios in individual spots were discussed. Mr. Law said that his company has had success in troublesome localities by posting signs offering \$50 reward for information leading to the arrest and conviction of anyone guilty of arson of an automobile. The name of the local automobile dealers' association is used on these signs, but the finance company pays the expenses and will pay any reward. It was also pointed out that the majority of finance losses occur before four payments are made on the car.

Discussing the practices of finance

companies, Mr. Law said that his company writes the actual value policy only on new cars. He prefers the stated amount form for new cars, because the inflated values often put on these automobiles put the purchaser in the wrong frame of mind when a loss occurs. His company writes \$50 deductible collision insurance on all new cars and on light used cars, \$75 deductible on medium used cars and \$100 deductible on expensive models. It will not write collision insurance on discontinued models.

Adjustment Procedure

Mr. Law also said that his organization has had success in having claims adjusted by its own employees, using outside adjusters only where a loss is at an isolated spot. In addition to keeping expenses down, he felt that this makes the adjustment more harmonious. His employees are instructed not to tell the purchaser that they represent the insurance company, but that they are acting in the interest of the finance company, which has an equity in the car and which is as much interested as the purchaser

in getting a proper settlement. His employees are close to the local dealers and are able to get repairs and replacements at an equitable figure.

All the companies represented declared that they will accept outside insurance whenever the purchaser wishes it. Where the customer asks for this, the usual practice is to reduce the dealer's reserve, unless he can make an additional finance charge to make up for the insurance premium. If the finance company's insurer does not wish to accept the line and outside insurance is placed for that reason, the dealer is credited with the same reserve as though he had placed the insurance.

Discuss Anti-Coercion Law

The law recently passed in Michigan prohibiting coercion of insurance came in for some attention. However, Michigan representatives said that it has made no practical difference, since all companies have been careful not to force a customer to buy insurance through the finance company. The action of Kentucky, Tennessee and Kan-

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sas in prohibiting or restricting licensing of finance companies and their employees as insurance agents was also discussed.

In this connection, Mr. Law said that the greatest number of complaints received by insurance commissioners about finance companies involved the failure of the finance company to return the full short rate premium when insurance is terminated. He said that this practice is indefensible and has given the entire business a bad name and urged the companies to eliminate it for the sake of their future standing with insurance departments.

Mr. Solomon got a good laugh out of his audience by recounting in considerable detail the proposal of an insurance agent that the National Association of Insurance Agents sponsor a \$40,000,000 finance company, \$10,000,000 capital to be put up by insurance companies, \$10,000,000 to be raised by stock subscription on the part of agents and \$20,000,000 to be raised by a general sale. All agreed that organizing a company is not that simple.

In addition to Mr. Mays, insurance men present included K. F. May, Pittsburgh, secretary National Union; Ralph West, Chicago, Marsh & McLennan; Gale Tillman, Chicago, automobile manager Western Adjustment; L. Harbeck, New York, Chubb & Son; J. W. Burden, Chicago, Hartford Fire, and T. L. Webster, New York, America Fore.

Insurance Buyers Cover Wide Field

(CONTINUED FROM PAGE 3)

tors liable for malfeasance, such as making an illegal profit out of a transaction with the corporation, and also for nonfeasance, such as not exercising due diligence in attending directors' meetings, examining books, checking acts of the management, etc.

It was also brought out that there are two angles to the possible insurance protection. A corporation itself may need protection against loss from wrongful acts of directors and this should be obtainable under a fidelity bond. Mr. Wood made the point that there is an increasing tendency on the part of fidelity bonds to cover wrongful acts of directors. At one time all fidelity bonds excluded acts of directors and the standard schedule forms for businesses still do, but many specialized blanket bonds cover directors when performing acts coming within the scope of the usual duties of an officer, when serving on finance or executive committees, and the like.

The second phase of insurance protection, and that most interesting to those present, concerned itself with protecting the directors themselves against liability. It was brought out that a few such contracts have already been written and that a number of corporations have agreed to indemnify their directors, although there is some question as to the legality of this. It was felt that it would be against public policy for an insurance company to protect a director against fraud, but Messrs. Wood and Arnheim agreed that a liability policy should provide defense against acts charging fraud, since it usually takes a jury to pass upon fraud and the director would not be getting the protection he needs without this coverage.

Optional Insuring Clauses

Mr. Wood suggested optional insuring clauses, preferably with a deductible or coinsurance, providing indemnity against expenses only if the defense is successful, indemnity against expenses



AT INSURANCE CONFERENCE OF AMERICAN MANAGEMENT ASSOCIATION IN CHICAGO: Sanford B. Perkins, secretary compensation-liability department Travelers; George Rogers, insurance manager Robert Gair Company, New York, at piano; P. D. Betterley, insurance adviser Graton & Knight Company, and Donald Wood, Sr., Childs & Wood, Chicago.

regardless of whether the defense is successful and indemnity against the expenses plus judgments or settlements. He advocated excluding claims due to libel or slander and judgments or settlements where the director is found guilty or fraud. He and Mr. Arnheim agreed that it would be undesirable to place policies for individual directors, as that would make them targets for suits. It was felt instead that the insurance, if carried at all, should be in a joint policy covering all directors, perhaps provided by the corporation. This also would give the insurance company the safeguard of joint action. Mr. Wood said that during an experimental period no company would probably write insurance with very high limits, perhaps their maximum would be \$25,000, although many corporations might need indemnity as high as \$500,000. The line will be expensive to handle and it is an open question how many corporations or individual directors would wish to pay the necessary premiums.

Future of Directors

In the discussion, it was brought out that there is a possibility that current legislation may bring the professional director into American business. He will be a man who devotes his full time to being a director of perhaps three or four corporations, getting from \$3,000 to \$10,000 annually from each. At least one corporation has taken a step in this direction by paying its directors \$5,000 a year, instead of the usual \$20 to \$50 per meeting.

Dr. Blanchard had what he called "six bright children" on his forum, A. L. Carr, New York, vice-president National Surety, who answered bonding questions; H. W. Heinrich, Hartford, assistant superintendent engineering and inspection Travelers, on safety matters; E. W. Sawyer, New York, attorney National Bureau of Casualty & Surety Underwriters, one of the stalwarts of the A.M.A. insurance division, who was the liability insurance expert; E. M. Harriman, Boston, secretary United Mutual, who handled fire insurance; F. L. Erion, prominent Chicago adjuster, who discussed establishing insurable values and Armand Sommer, Chicago, assistant to vice-president Continental Casualty, who was the expert on hospitalization insurance. Mr. Carr, in answer to several questions, gave a very complete review of the bonds required by the federal government under the defense program. Mr. Sawyer at this session and at the

subsequent dinner session, answered two questions brought out by a recent article in the insurance press on two phases of owners, landlords and tenants' liability insurance under the new policies. Asked if there were any significance in the change in the insuring clause from "bodily injuries accidentally sustained" to "bodily injury caused by accident," Mr. Sawyer said that there was none and that a very unfortunate impression had been created by erroneous surmises. He emphasized that the standard language has not been changed, as there was not and is not any standard language. The National Bureau published advisory policies last spring, which are not binding on any company; prior to this there had not even been a suggested standard form. He said that the expression "bodily injury caused by accident" was incorporated in the advisory form because it was used in the standard automobile liability policy of the National Bureau and the American Mutual Alliance, having been adopted after a study of the policies of more than 50 of the leading companies. He called it an accurate and precise statement of the coverage intended and maintained that use of this wording in the automobile policy for the past six years has not developed any difficulty at all.

Depreciation Questions

The second question stressed by Mr. Sawyer was whether the limits of liability in an owner's, landlord's and tenant's policy covered several locations of parties or each location separately. He pointed out that the policy does not cover "locations" but "premises," and that limits of liability are never applied to premises, but to each accident. If there are two accidents, even though they occur simultaneously at two different premises, the limit of liability for accident applies to each. He said it might be conceivable that one accident could occur on two premises, although he could not think of any such case, and in that case the limit of liability per accident would apply, but would apply whether the two premises are insured under one policy or under two policies.

Mr. Erion's answers to questions on

depreciation attracted much interest. He said that he did not believe that perfect maintenance could completely eliminate depreciation, but it could reduce it materially. Even if parts are replaced before they wear out, a loss might occur just before the particular part is replaced and naturally that would be subject to depreciation. He said that no standard method of arriving at depreciation has been or should be adopted, because people do not take the same care of their property. In valuing equipment, he said he would deduct wear and tear depreciation up to a "stop limit," beyond which the equipment cannot be used. On small losses to buildings, involving repairs, he said that depreciation should not enter into the adjustment of loss, except for items such as roofs which have to be replaced from time to time, but if repairs make the property more valuable than it was before the loss, there should be an allowance.

Questions to Mr. Harriman and Mr. Erion indicated that there is much interest in deductible fire insurance on the part of large corporations. Both speakers agreed that there is no reason why a large assured should not stand small losses itself, although there are no standard forms or rates for coverage on this basis.

Each dinner session was presided over by a buyer, with an insurance man as technical adviser. L. J. Ronder, Chicago, manager insurance division Conti-

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nental Illinois National Bank & Trust Co., was chairman at the bonding dinner, with E. M. Allen, New York, executive vice-president National Surety Corporation, as technical adviser. H. H. Hook, Pittsburgh, insurance manager Koppers United Company, and Mr. Heinrich were featured at the safety dinner and J. H. Wamsley, Chicago, insurance adviser Borg-Warner Corp., and Mr. Sawyer headed the liability session. Many of the questions discussed at these dinners were a continuation of the afternoon discussions.

CONSCRIPTION

The discussion of insurance problems created by conscription indicated that the majority of business houses are continuing group life insurance of employees while they are in the service. This applies not only to drafted employees, but to volunteers and those called up under National Guard and reserve office mobilizations. On pension plans, there is much variation, but about half the employers are giving employees credit for continuous service during the time spent in the army and a few with joint contributory plans are assuming the cost of the employee's share while he is away.

Fear Effect on Experience

Large corporations are somewhat fearful of the effect on their experience rates under group life insurance plans. There are two reasons for this. First, the spectre of an epidemic such as the influenza outbreak in 1918 spreading over army cantonments is in the minds of many, and there is also a feeling that many conscripts are unfamiliar with the mechanized apparatus they will learn to handle. On the other hand, many of the persons hired to replace drafted employees will be beyond military age and, if a substantial number are hired, they will raise the rates to the employer. On the credit side, it was pointed out by both speakers that the government is mobilizing at a much slower pace than in 1917 and 1918 and that cantonments are being built more carefully and more thorough precautions being taken for the health of men in the army. Several corporations have adopted a policy of not bringing temporary employees under their group life plan, unless and until they decide to hire them permanently.

Mr. Andrews suggested that if a corporation has only a limited fund for disbursements to military absentees, it should be allocated, first, to maintain group life insurance; second, if there is any money left over to maintain continuity of pension plan membership and, third, if there is still money left over, to pay part salaries to conscripts for as many weeks as available funds allow. Probably employees would prefer the reverse order, but Mr. Andrews felt it was best from the employer's viewpoint and, in the long run, from the employee's viewpoint.

Both speakers emphasized the importance of not promising conscripted employees anything, so that any payments or any benefits in the way of continuing group insurance would not be regarded as an obligation under contract and thus taxable under social security and state unemployment compensation setup.

Vandalism and Sabotage Coverages

Mr. Folonie reviewed the development of the extended coverage endorsement and analyzed the new mandatory endorsement which adds "civil commotion" to the hazards covered and puts in a new war risk exclusion. He said it is his opinion that it actually provides the assured with broader coverage, since it specifically states that explosion, other than steam boiler, not occurring during and in connection with operation of armed forces in the country where the property is located is covered, even though "s explosion be caused by secret agents of foreign governments, whereas the old contract was by no



BEFORE THE CAMERA AT INSURANCE COMMISSIONERS' CONVENTION:

Above—E. M. Griggs, associate counsel; J. H. Doyle, counsel, and Thomas Watters, Jr., consultant of National Board.

Below—John A. Diemand, executive vice-president Indemnity of North America, and Charles Wheeler, New York insurance department.

means as specific. He said he could not define "civil commotion," except to offer the suggestion that the difference between a riot and civil commotion is that of a "little riot" as compared with a "big riot." He also described the new war risk and bombardment policy, pointing out that insurance must be written at the home or departmental office of the company and explaining the cancellation features. Questions put to Mr. Folonie indicated that business firms are not particularly interested in war risk and bombardment insurance at present, but are very much concerned over the sabotage hazard. Mr. Folonie made it clear that fire and explosion by foreign secret agents is covered under all the standard policies, including the extended coverage endorsement, without any specific endorsement. Only in connection with vandalism and malicious mischief insurance is there a distinction between acts caused by foreign secret agents and those of other parties. In answer to a question, he stated that he did not think sabotage by a member of the Communist party was excluded under the limited vandalism form, unless the company could prove that the persons were actually agents of a foreign government and not merely sympathizers. He said that it will always be difficult to prove whether a particular person is an agent of the government and he personally expects few cases of importance under this aspect of the policy.

War Risk Situation

Mr. Bowman said that the defense program has not created a need for any new casualty coverages, but has greatly increased loss possibilities under existing contracts. He emphasized the importance of safety work, to minimize accidents while plants are operating at rush capacity, and also careful training programs to educate new workers to proper safety methods. He also advised high limits of liability insurance, particularly where large numbers of guards

and watchmen are needed to protect the plant and careful attention to contractual liability assumptions in defense contracts.

One of the most interesting and best received talks at the session was that of Mr. Cauchois. He said that, compared to 1918, the American shippers should find the marine insurance situation infinitely preferable. American companies now have complete facilities and are independent of British reinsurance. The American Cargo War Risk Reinsurance Exchange has standardized rates, but London competition keeps them from being excessive. Their rates are not as great now as they were in 1918 and any broker can quote a standard rate, thus saving the shipper the necessity of shopping around.

There are at present three types of marine war risk insurance available, Mr. Cauchois said. The British government is writing war risk insurance on cargoes in British bottoms. These contracts cannot be canceled except on three months' notice. After the fall of France, many American buyers were afraid that England was doomed, but those who were insured in the British government plan still had to pay premiums for three months.

A third form, known as the "missing vessels" clause has developed for assured carrying marine insurance in American companies and British government war risk insurance. The only market for this is in London. If there is a dispute as to whether a particular loss is a marine loss or a war loss, the insurer under the "missing vessels" clause pays and takes its chances on subrogation. Mr. Cauchois said that a board has been appointed in London to rule on disputed cases. After this board begins to operate and the insurers accept this decision, and Mr. Cauchois expects they will, the need for the "missing vessels" coverage will disappear.

Discussing what constitutes a war risk, Mr. Cauchois said that in the 1914-18 war, British courts held that a

collision between a merchant ship and a warship may or may not be a war loss. Convoys, ships fighting submarines and warships on their way to a station to take up a convoy are held to constitute war risks, but a warship on its way to its base for overhauling does not involve a war risk. Also, it has been held that two merchant ships colliding with a convoy is a marine loss, but a merchant ship ramming a supposed submarine constitutes a war loss, even though what was thought to be a submarine turns out to be a submerged ship.

Mr. Cauchois explained the reversal of the now famous British case of the "Minden" by the British court of appeals. At the outbreak of the war, German merchant ships rushed into ports. The "Minden" ran out of a South American port, was overhauled by a British warship and scuttled. The American companies writing the cargo insurance paid, but the British insurer resisted. A lower British court decided that the voyage was frustrated and the new voyage was not covered under the policy. The case has just been reversed and now goes to the House of Lords.

British Companies' Trust Fund

The trust fund set up by a group of British companies not entered in the United States to safeguard American claims was explained by Mr. Cauchois. He said that business placed in London with British companies entered in the United States stands on no better footing than that placed with non-admitted British companies, as the funds of American branches of British companies are held for American written risks only. The fund set up by non-admitted British insurers is to pay claims if communications between the United States and England are disrupted and it applies to all cases where the assured is an American citizen.

Answering a question about the advisability of war risks coverage on coastal and Pacific shipments in American bottoms, Mr. Cauchois said that most shippers have not considered it worth while to place this coverage on American coastal shipments in American ships, but he said it would be wise to do so if the cargo is carried in Canadian bottoms. However, he suggested carrying it on American ship cargoes to the Philippines and Hawaii, because war with Japan might ensue while the cargo is enroute and it would then be too late for the shipper to do anything about it.

In answer to another question, Mr. Cauchois said that marine war risk coverage ceases as soon as goods are discharged from an overseas vessel, and that there is no coverage while they are on lighters or in warehouses. British government insurance, however, may be extended to cover to the warehouse of the consignee.

Cats Meow Elects Rodger

ST. LOUIS—J. W. Rodger, manager Insurance Board of St. Louis, was elected most wise and powerful meow of the St. Louis court of Cat's Meow at the annual meeting. He succeeds E. C. McDermott, Maryland Casualty. Mr. McDermott and E. A. Temme, Mercantile Insurance Agency, were elected directors for three years. Other officers named are: Recorder, G. O. Streit, Maryland Casualty; keeper, R. W. Sellers, W. H. Markham & Co.; outside keeper, D. V. Carbone, Corroon & Reynolds; inside keeper, L. A. Buck, Mercantile Insurance Agency.

San Antonio Claim Men Elect

The San Antonio Claim Men's Association has elected T. G. Andrews, Fidelity & Casualty, president; Herman Little, Travelers, and C. W. Aavery, Chapman Claims Service, vice-presidents, and E. R. West, General Exchange, secretary-treasurer.

J. M. Pinkerton and Jim Pinkerton, owners of the East Texas Insurance Agency, Lufkin, Tex., have purchased the Sharpe & Cunningham agency there.

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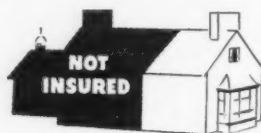
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